

COUNTERING THREATS POSED BY NATION-STATE
ACTORS IN LATIN AMERICA TO U.S. HOME-
LAND SECURITY

HEARING

BEFORE THE

SUBCOMMITTEE ON
COUNTERTERRORISM,
LAW ENFORCEMENT, AND
INTELLIGENCE

OF THE

COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES

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COUNTERING THREATS POSED BY NATION-STATE ACTORS IN LATIN AMERICA TO U.S. HOMELAND SECURITY

Wednesday, June 21, 2023

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON COUNTERTERRORISM,
LAW ENFORCEMENT, AND INTELLIGENCE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:01 a.m., in room 310, Cannon House Office Building, Hon. August Pfluger [Chairman of the subcommittee] presiding.

Present: Representatives Pfluger, D'Esposito, Crane, Magaziner, Correa, Goldman, and Titus.

Also present: Representative Jackson Lee.

Chairman PFLUGER. The Committee on Homeland Security Subcommittee on Counterterrorism, Law Enforcement, and Intelligence will come to order.

Without objection, the subcommittee may recess at any point.

The purpose of this hearing is to receive testimony from a non-Governmental panel of expert witnesses to examine the threats posed by nation-state actors in Latin America, like China and Russia to the United States homeland security.

I now recognize myself for an opening statement.

Good morning and welcome to the Subcommittee on Counterterrorism, Law Enforcement, and Intelligence. Today, we are holding an important hearing on the threats posed by nation-state actors like the People's Republic of China, the PRC, Russia, Iran, and Venezuela in Latin America to our homeland security.

There is no doubt that we are facing a migration crisis caused by the administration's policy decisions. We are witnessing significant increases in encounters at the Southwest Border with individuals from countries of concern like the PRC and Russia. I am concerned that the chaos of the Southwest Border could be taken advantage of by anti-U.S. regimes—not just can, but has been. Meanwhile, the PRC and our foreign adversaries are expanding their spheres of influence in Latin America right in our backyard. As they grow their diplomatic, economic, and military activities in the region, there are clear implications for U.S. homeland security.

Recent data released by the United States Customs and Border Protection shows a steep increase in encounters with foreign nationals from the PRC, Russia, Cuba, and Venezuela, amongst others at our Southwest Border. For example, in the first 7 months

of fiscal year 2023, over 9,711 PRC nationals were encountered by U.S. Border Patrol along our Southwest Border, exponentially more than the previous 3 years. Restate that number: 9,711 PRC nationals. A similar trend involves encounters with Russian citizens. In 2021, CBP reported just 4,103 encounters of Russian citizens along our Southwest Border, however, that number jumped to 21,763 in fiscal year 2022, and it is over 33,000 for the first 7 months of fiscal year 2023. I have heard directly from sheriffs in my own district that they apprehended multiple individuals from the PRC who were deemed high-value targets and were taken into custody by the FBI.

While aliens may have legitimate claims to asylum, the increased flow of nationals from adversarial countries is concerning as these individuals blend into the much larger wave of illegal aliens flooding across the Southwest Border, already topping 1.4 million illegal alien encounters for the first 7 months of this fiscal year, 2023.

Meanwhile, Border Patrol agents at the Southwest Border are completely overwhelmed. There have been 1.5 million known gotaways at the Southwest Border since the start of this administration. This creates a gap in our homeland security intelligence that malign nation-states could exploit to send nefarious actors into the United States. It is important that this subcommittee fully understand the ways that malign nation-state actors could take advantage of the wide open Southwest Border. However, the problem is not just there. It stretches further than that. There is no doubt that we are facing an array of security challenges in the region and by extension, to homeland security.

In particular, the PRC has developed close economic and security ties with a number of Latin American countries, including Brazil and Venezuela. For example, the China Development Bank and the Export-Import Bank of China offered approximately \$137 billion to the region in loans to a multitude of sectors, with Venezuela as the most prolific beneficiary of PRC loans at roughly \$60 billion. However, the PRC's influence in the region goes beyond economic ties. It also includes military and security partnerships. For example, in approximately a 10-year period between 2009 and 2019, \$615 million in weapons were sold to Venezuela by the PRC. The PRC's increased influences in the region bolsters the CCP's geopolitical goals, which also includes strengthening other authoritarian regimes, leading to significant challenges to U.S. influence in the region, as well as security risks to the United States homeland.

Earlier this year, Melissa Dalton, the Pentagon's Assistant Secretary of Defense for Homeland Defense and Hemispheric Affairs, testified that the PRC and Russia now pose more dangerous challenges to the safety and security of the U.S. homeland. They are both, and I quote here from Ms. Dalton, "already using nonkinetic means against our defense, industrial base, and mobilization systems to subvert our ability to project power". This transcends the egregious example of when the PRC entered our sovereign airspace with a high-altitude balloon, which we know with certainty they intended to use to spy on sensitive U.S. military and critical infrastructure sites.

Then, just this month, the Biden administration confirmed the existence of a PRC-run electronic espionage facility in Cuba, rough-

ly 100 miles from the United States, that would allow the CCP intelligence services to collect signals intelligence throughout the southeastern United States. Less than 48 hours later, an anonymous Biden administration official confirmed to *Politico* that the CCP has actually been using a secret facility in Cuba to spy on the United States since at least 2019. My Republican colleagues and I are demanding answers on this latest nefarious action by the CCP from DHS Secretary Mayorkas and FBI Director Wray to ensure the homeland security response is robust and steadfast. I would love to have all of this committee in a nonpartisan way join that effort to understand those nefarious actions. This activity once again displays the CCP's willingness to use every tactic and technique to undermine U.S. sovereignty and shows that authoritarian regimes in Latin America can and will assist the CCP in attacking U.S. homeland security.

Additionally, Russia continues to demonstrate its intent and capability to conduct military and other strategic activities against the United States in the Western Hemisphere. Russia's influence in the region mainly comes from security ties on which it has colluded with anti-U.S. authoritarian regimes, including Venezuela, Nicaragua, and Cuba. For example, Russia has assisted Venezuela with sanctions evasion using Russian state-controlled companies to transport Venezuelan oil. Russia also uses the Wagner Group, a private military company, to protect power world-wide. The Wagner Group tries to undercut the United States and present itself as a mediator and security partner to anti-U.S. countries and gain military access rights and economic opportunities. For example, they are training Venezuela's armed forces.

Additionally, Iran plays a secondary role in the region. The recent docking of Iranian warships in Rio de Janeiro, Brazil indicate Iran is looking to assert its power across the region. Iran's backed militia, Hezbollah, continues to have a presence in the region with the transition from the triborder area of Paraguay to operations in Venezuela.

Whether it is the PRC, Russia, or Russia's proxies or Iran, it is vital that we understand the security challenges and threats posed by nation-state actors to U.S. homeland security and explore every avenue to address them head on.

This morning, we have a distinguished panel of expert witnesses to discuss this important topic with. I would just like to say that we are facing challenges all over the world. I personally think that this is one of the most challenging security environments that we have ever been in, including the World War II era. We know some of the threats and some of the threats we don't know. The nature and the face of these threats has changed. It is no longer just missiles in Cuba like we saw decades ago. The cyber threat is egregious, economically what these countries are doing to use their influence and to really hurt the people of countries, especially in our backyard in South America and Latin America.

So I am excited to hear from our witnesses, I am excited to have this conversation today because I hope it informs the rest of Congress that we must keep our eye on the ball. We must understand what the Chinese Communist Party is doing and the malign activities that they will use to undermine not just our influence and our

economic prowess around the world, but also our homeland security right here at home.

I thank all the witnesses for being with us this morning, and I look forward to our discussion.

[The statement of Chairman Pfluger follows:]

STATEMENT OF CHAIRMAN AUGUST PFLUGER

JUNE 21, 2023

Good morning, and welcome to the Subcommittee on Counterterrorism, Law Enforcement, and Intelligence.

Today we are holding an important hearing on the threats posed by nation-state actors like the People's Republic of China (PRC), Russia, Iran, and Venezuela in Latin America to our homeland security.

There is no doubt that we are facing a migration crisis caused by the administration's policy decisions.

We are witnessing significant increases in encounters at the Southwest Border with individuals from countries of concern like the PRC and Russia.

I am concerned that the chaos of the Southwest Border could be taken advantage of by anti-U.S. regimes.

Meanwhile, the PRC and our foreign adversaries are expanding their spheres of influence in Latin America—essentially in our backyard.

As they grow their diplomatic, economic, and military activities in the region, there are clear implications for U.S. homeland security.

Recent data released by the United States Customs and Border Protection shows a steep increase in encounters with foreign nationals from the PRC, Russia, Cuba, and Venezuela, amongst others, at our Southwest Border.

For example, in the first 7 months of fiscal year 2023, over 9,711 PRC nationals were encountered by U.S. Border Patrol along our Southwest Border, exponentially more than the previous 3 years.

A similar trend involves encounters with Russian citizens. In 2021, CBP reported just 4,103 encounters of Russian citizens along our Southwest Border; however, that number jumped to 21,763 in fiscal year 2022 and is already over 33,000 for the first 7 months of fiscal year 2023.

I have heard directly from sheriffs in my district that they apprehended multiple individuals from the PRC who were deemed “high-value targets” and were taken into custody by the FBI.

While aliens may have legitimate claims to asylum, the increased flow of nationals from adversarial countries is concerning as these individuals blend into the much larger wave of illegal aliens flooding across the Southwest Border, already topping 1.4 million illegal alien encounters through the first 7 months of fiscal year 2023.

Meanwhile, Border Patrol agents at the Southwest Border are completely overwhelmed. There have been 1.5 million known gotaways at the Southwest Border since the start of this administration.

This creates a gap in homeland security intelligence that malign nation-states could exploit to send nefarious actors into the United States.

It is important that this subcommittee fully understand the ways malign nation-state actors could take advantage of the wide-open Southwest Border.

However, the problems stretch further than that. There is no doubt that we are facing an array of security challenges in the region and by extension to U.S. homeland.

In particular, the PRC has developed close economic and security ties with a number of Latin American countries, including Brazil and Venezuela.

For example, the China Development Bank and the Export-Import Bank of China offered approximately \$137 billion to the region in loans to a multitude of sectors—with Venezuela as the most prolific beneficiary of PRC loans at roughly \$60 billion.¹

However, the PRC's influence in the region goes beyond economic ties. It also includes military and security partnerships.

¹“China-Latin America Finance Databases,” The Inter-American Dialogue, Accessed June 16, 2022, https://www.thedialog.org/map_list/.

For example, in approximately a 10-year period, between 2009 and 2019, \$615 million in weapons was sold to Venezuela by the PRC.²

The PRC's increased influences in the region bolsters the CCP's geopolitical goals, which also includes strengthening other authoritarian regimes, leading to significant challenges to U.S. influence in the region as well as security risks for the U.S. homeland.

Earlier this year, Melissa Dalton, the Pentagon's Assistant Secretary of Defense for Homeland Defense and Hemispheric Affairs testified that the PRC and Russia "now pose more dangerous challenges to the safety and security of the U.S. homeland."³ They are both "already using non-kinetic means against our defense industrial base and mobilization systems to subvert our ability to project power."⁴

This transcends the egregious example of when the PRC entered our sovereign air space with a high-altitude balloon, which we know with certainty they intended to use to spy on sensitive U.S. military and critical infrastructure sites.⁵

And then, just this month, the Biden administration confirmed the existence of a PRC-run electronic espionage facility in Cuba—roughly 100 miles from the United States—that would allow the CCP intelligence services to collect signals intelligence throughout the southeastern United States.

Less than 48 hours later an anonymous Biden administration official confirmed to *Politico* that the CCP has actually been using a secret facility in Cuba to spy on the United States since at least 2019.

My Republican colleagues and I are demanding answers on this latest nefarious action by the CCP from DHS Secretary Mayorkas and FBI Director Wray to ensure the homeland security response is robust and steadfast.

This activity once again displays the CCP's willingness to use every tactic and technique to undermine U.S. sovereignty and shows that authoritarian regimes in Latin America can and will assist the CCP in attacking U.S. homeland security.

Additionally, Russia continues to demonstrate its intent and capability to conduct military and other strategic activities against the United States in the Western Hemisphere.

Russia's influence in the region mainly comes from security ties—on which it has colluded with anti-U.S. authoritarian regimes, including Venezuela, Nicaragua, and Cuba.

For example, Russia has assisted Venezuela with sanctions evasion, using Russian state-controlled companies to transport Venezuelan oil.

Russia also uses the Wagner Group, a private military company to project power world-wide. The Wagner Group tries to undercut the United States, present itself as a mediator and security partner to anti-U.S. countries, and gain military access rights and economic opportunities. For example, they are training Venezuela's armed forces.

Additionally, Iran plays a secondary role in the region. The recent docking of Iranian warships in Rio de Janeiro, Brazil indicate Iran is looking to assert its power across the region.

Iran's-backed militia, Hezbollah continues to have a presence in the region, with a transition from the tri-border area of Paraguay to operations in Venezuela.

Whether it is the PRC, Russia or Russia's proxies, or Iran, it is vital that we understand the security challenges and threats posed by nation-state actors to U.S. homeland security and explore every avenue to address them head on.

This morning, we have a distinguished panel of expert witnesses to discuss this important topic.

I thank all our witnesses for being with us this morning and I look forward to our discussion.

Chairman PFLUGER. I would now like to recognize the Ranking Member, the gentleman from Rhode Island, Mr. Magaziner, for his opening statement.

Mr. MAGAZINER. Thank you, Chairman.

We find ourselves in a time when, once again, democratic nations like the United States are in a competition for the hearts and

²Lara Seligman, "U.S. Military Wary of China's Foothold in Venezuela," *Foreign Policy*, April 8, 2019, <https://foreignpolicy.com/2019/04/08/us-military-wary-of-chinas-foothold-in-venezuela-maduro-faller-guaido-trump-pentagon/>.

³<https://www.armed-services.senate.gov/hearings/to-receive-testimony-on-strategic-competition-and-security-cooperation-in-the-western-hemisphere>.

⁴Id.

⁵Id.

minds in the developing world, with autocratic competitors like the People's Republic of China, Iran, and Russia. It is more important than ever that we build strong relationships with our allies in Latin America based on mutual respect, fair commerce, and a shared commitment to security and human rights. If we make the mistake of driving away our allies in the region, Russia, the Chinese Communist Party, and our other competitors will gladly fill that void at the expense of our own security.

In Latin America today, the CCP and Russia are attempting to manipulate public discourse, discredit elections and the electoral system, influence policy, and disrupt markets, with the goal of undermining U.S. security and economic competitiveness. We cannot allow that to happen. Over the past 20 years, the CCP has spent heavily in Latin America. Chinese state industry now reaches deep into Latin America's energy, infrastructure, and space industries. In fact, China has surpassed the United States as South America's biggest trading partner. I will say it again, China has surpassed the United States as South America's biggest trading partner. China now has free trade agreements in place with Chile, Costa Rica, Ecuador, and Peru, and 20 countries in Latin America and the Caribbean participate in the CCP's Belt and Road initiative. The Chinese Communist Party is investing in soft power through cultural and educational programs in Latin America, which are building political goodwill and presenting China as a viable alternative partner to the United States and other democracies.

This is why it is so important that last year President Biden launched a new economic cooperation initiative with Latin America aimed specifically at countering the CCP's growing clout in the region. Under Vladimir Putin Russia cares less about competing with the United States economically and more about stoking chaos and political division to harm democracies like the United States. Russia has maintained decades-long relationships with Latin American authoritarian regimes. The Cuban, Venezuelan, and Nicaraguan regimes are heavily dependent on Moscow for political, economic, and security assistance. Russia actively spreads propaganda in Latin America to undermine U.S. interests and the interests of democratic allies, just as Russia did in the early days of its invasion of Ukraine, when Russia used its propaganda assets in Latin America to push conspiracy theories about Ukraine and the West to justify the invasion.

With the CCP, Russia, and other autocratic regimes so determined to build their presence in Latin America, it is vital that the United States strengthen our relationships with our neighbors in the region. The worst thing we could do for our own security is drive our Latin American neighbors into the arms of our adversaries. That is why it is disturbing to hear former President Trump and some of my colleagues from across the aisle, though of course not all, push reckless ideas like unilateral military action in Mexico, which would seriously endanger the strategic regional relationships we need to keep America secure.

It is also alarming that some House Republicans are calling for significant cuts to USAID, State Department, and Commerce Department budgets that are crucial to building American influence in Latin America at the same time that the CCP in particular con-

tinues to invest in aid and commerce to build their malign influence in the region.

As we go through the appropriations process in the coming months, we need to keep in mind that investing in aid and commerce in Latin America is not charity, it is in our national security interest.

So this is a time for engagement and partnership, not hyperpartisanship. Today's hearing, I hope, is an opportunity for this subcommittee to examine what we can do to counter the wider threat posed by autocratic nation-states that are setting up shop in the Western Hemisphere with the goal of undermining U.S. leadership in our own backyard. I hope that we can work together to counter their efforts and advance American interests.

With that, I yield back.

[The statement of Ranking Member Magaziner follows:]

STATEMENT OF RANKING MEMBER SETH MAGAZINER

JUNE 21, 2023

We find ourselves in a time when democratic nations, like the United States, are in a competition for hearts and minds in the developing world with autocratic competitors like the People's Republic of China, Iran, and Russia.

It is more important than ever that we develop strong relationships with our allies in Latin America, based on mutual respect, fair commerce, and a shared commitment to security and human rights. If we make the mistake of driving away our allies in the region, Russia, the CCP and our other competitors will gladly fill that void, at the expense of our own security.

In Latin America today, the CCP and Russia are attempting to manipulate public discourse, discredit elections and the electoral system, influence policy development, and disrupt markets with the goal of undermining U.S. security and economic competitiveness. We cannot allow that to happen.

Over the past 20 years, the CCP has spent heavily in Latin America. Chinese state industry now reaches deep into Latin America's energy, infrastructure, and space industries. In fact, China has surpassed the United States as South America's biggest trading partner. China has free trade agreements in place with Chile, Costa Rica, Ecuador, and Peru; and 20 countries in Latin America and the Caribbean participate in the CCP's Belt and Road initiative. And the Chinese Communist Party is investing in soft power through cultural and educational programs in Latin America, which are building political goodwill and presenting China as a viable alternative partner to the United States and democracies.

This is why it is so important that last year President Biden launched a new economic cooperation initiative with Latin America aimed specifically at countering the CCP's growing clout in the region. Under Vladimir Putin, Russia cares less about competing with the United States economically and more about stoking chaos and political division to harm democracies like the United States. Russia has maintained decades-long, strong relationships with Latin American authoritarian regimes.

The Cuban, Venezuelan, and Nicaraguan regimes are heavily dependent on Moscow for political, economic, and security assistance. And Russia actively spreads propaganda in Latin America to undermine U.S. interests and the interests of democratic allies—as Russia did during the early days of its invasion of Ukraine, when Russia used its propaganda assets in Latin America to push conspiracy theories about Ukraine and the West to justify the invasion.

With the CCP, Russia and other autocratic regimes so determined to build their presence in Latin America, it is vital that the United States strengthen our relationships with our neighbors in the region.

The worst thing we could do for our own security, is drive our Latin American neighbors into the arms of our adversaries. That is why it is disturbing to hear former President Trump and some of my colleagues from across the aisle push reckless ideas like unilateral military action in Mexico, which would seriously endanger the strategic regional relationships we need to keep America secure.

It is also alarming that some House Republicans are calling for significant cuts to USAID, State Department, and Commerce Department budgets that are crucial to building American influence in Latin America, at the same time that the CCP

in particular continues to invest in aid and commerce to build their malign influence in the region. This is a time for engagement and partnership, not hyper-partisanship.

Today's hearing, I hope, is an opportunity for this subcommittee to examine the wider threat posed by autocratic nation-states that are setting up shop in the Western Hemisphere with a singular goal—to undermine U.S. leadership in our own backyard.

Chairman PFLUGER. Thank you, Ranking Member Magaziner.

Other Members of the committee are reminded that opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

JUNE 21, 2023

I am grateful for Ranking Member Magaziner's leadership on this subcommittee and his effort to put today's hearing into focus. It was committee Democrats' understanding that the purpose of this hearing is to discuss foreign malign influence in Latin America and how the actions of our geopolitical adversaries in the region impact U.S. interests and homeland security. This is certainly an issue worth exploring.

However, the Republicans' media advisory for the hearing once again demonstrates that my colleagues across the aisle are focused on the Southern Border to the exclusion of other critical homeland security matters. According to the media advisory, the focal point of today's hearing for Republicans is Border Patrol's, and I quote, "encounters with individuals from authoritarian countries hostile to the United States, such as China, Russia, Cuba, and Venezuela."

It goes on to note that Republicans are unaware of the migrants' motives for seeking entry into the United States but does not mention using today's hearing to explore the root causes of migration. Perhaps because Republicans are uninterested in finding solutions and want to further their partisan agenda against Secretary of Homeland Security Alejandro Mayorkas—a case that they have stated is already "closed."

It is high time that this committee start doing oversight of pressing issues, like foreign malign influence in Latin America and how the actions of China, Russia, and others in our backyard undermine U.S. interests and democracy at large. I—once again—urge my Republican colleagues to forgo trying to score political points and join Democrats in seeking real solutions to threats to the homeland.

At the subcommittee's March 9 and May 23 hearings, Chairman Pfluger stated, and I quote, "This conflict is not with individual citizens of the PRC—this conflict is with the CCP, an authoritarian regime that commits genocide against its own people, censors free speech across the globe, and aims to end democracy as we know it." I could not agree more. Today, we ought to be examining the activities of malign nation-state actors in Latin America and the subsequent risks to the homeland, not vilifying individuals fleeing autocratic and oppressive regimes.

The Biden administration's National Security Strategy notes that the "Western Hemisphere impacts the United States more than any other region." It also recognizes the need for the United States to deepen partnerships with Latin American countries "to advance economic resilience, democratic stability, and citizen security," and to protect against external interference or coercion, including from China, Russia, and Iran.

So, I am thankful that under Ranking Member Magaziner's leadership, committee Democrats will use today's hearing to learn from witnesses about the scope of foreign malign influence in Latin America and how the United States Government can best work to help our allies deter such efforts.

Chairman PFLUGER. I am pleased to have a distinguished panel of witnesses before us today on this very important topic.

Let the record reflect that the witnesses have answered in the affirmative.

[Witnesses sworn]

Chairman PFLUGER. I would now like to formally introduce our witnesses.

Ms. Elaine Dezenski is the senior director and head of the Center on Economic and Financial Power at the Foundation for Defensive Democracies. With more than 2 decades of leadership in public, private, and international organizations, she is a globally-recognized expert and thought leader on geopolitical risk, supply chain security, anticorruption, and national security. She also held positions at the Department of Homeland Security under the Bush administration, including deputy and acting assistant secretary for policy and director of cargo and trade policy. In 2015, Ms. Dezenski launched LumiRisk LCC, a risk advisory practice. In 2017, she served as a senior fellow at the Jackson Institute for Global Affairs at Yale University and as a lecturer of business ethics in Yale's Program on Ethics, Politics, and Economics. In 2020 to 2021 she served on the newly-formed Chairman's Council on China Competition at the Export-Import Bank of The United States. Thank you for being here.

Mr. Christopher Hernandez-Roy is the deputy director and senior fellow of the Americas Program at the Center for Strategic and International Studies. Throughout his more than 25-year career, Mr. Hernandez-Roy has worked extensively to advance democratic governance, prevent and resolve conflict, strengthen the rule of law, respect human rights, ensure citizen security, and promote integral development across Latin America and the Caribbean. He has held various senior leadership positions at the Organization of American States, or OAS, having served as senior political advisor to two Secretaries General. In this capacity, he most recently documented the abuses of authoritarian regimes in Venezuela and Cuba, and co-led the organization's efforts to hold the Venezuelan regime accountable for possible crimes against humanity. He also was intimately involved in the peaceful resolution of border disputes between Honduras and Nicaragua, Belize and Guatemala, and Honduras and El Salvador. Thank you for being here.

Ms. Jessica Brandt is policy director for artificial intelligence and emerging technology initiative at the Brookings Institution and a fellow in the Foreign Policy Program's Strobe Talbot Center for Security Strategy and Technology. Her research interest in recent publications focus on foreign interference, digital authoritarianism, and the implications of emerging technologies for democracies. Ms. Brandt was previously head of policy and research for the Alliance for Securing Democracy and a senior fellow at the German Marshall Fund of the United States, a fellow in the Foreign Policy Program at the Brookings Institution, special advisor to the president of the Brookings Institution, and an international and global affairs fellow at the Belfer Center for Science and International Affairs at Harvard University.

I thank all of the witnesses for being here. I know you have submitted incredible testimonies and I would ask at this time that you summarize those and please try to keep to 5 minutes. We do have questions on those testimonies.

At this time I recognize Ms. Elaine Dezenski for your 5 minutes to summarize your opening statement.

**STATEMENT OF ELAINE K. DEZENSKI, SENIOR DIRECTOR AND
HEAD, CENTER ON ECONOMIC AND FINANCIAL POWER,
FOUNDATION FOR DEFENSE OF DEMOCRACIES**

Ms. DEZENSKI. Chairman Pfluger, Ranking Member Magaziner, thank you so much, distinguished Members of the subcommittee. I appreciate the opportunity to be part of today's conversation.

Latin America has become increasingly vulnerable to authoritarian encroachment. Instead of being filled with democratic friends and booming economies, America's backyard is home to Russian bombers and mercenaries, 29 Chinese-owned ports and port projects, a wide-spread Iran- and Russia-fueled anti-U.S. propaganda, Chinese enabled-fentanyl and money-laundering operations, wobbling and fallen democracies, and wide-spread economic and political instability.

In the aftermath of 9/11, DHS could count on and leverage the primacy of U.S. global leadership and economic influence to address a range of foreign threats to the homeland. Two decades later, our economic, trading, and monetary systems are being weaponized against us by foreign adversaries and competitors and in the process escalating the erosion of democratic rules and norms. These threats impact not only our physical borders, but our financial, digital, and trade borders.

Since 2008, Latin America has seen a greater decline of democratic indicators than any other region globally. Authoritarian regimes are driving migration to the Southern Border in tremendous numbers, with migrants from Cuba, Venezuela, and Nicaragua now outnumbering migrants from the Northern Triangle of Honduras, El Salvador, and Guatemala. If we seek to address root causes of migration and broader threats to the national and economic security landscape, addressing rising authoritarianism is a strategic imperative. But it also means fighting back against a false narrative designed to undermine the U.S. role in the region.

The challenge of authoritarian influence in Latin America presents critical questions about how the United States can use its economic and political power to drive stability, opportunity, investment, and democratic principles. DHS has a central role to play, but it requires an evolution of mindset and operational readiness. The Department needs to further prioritize its assessment of economic security threats, drive more effective deployment of both physical and digital boots on the ground, invest in securing new critical infrastructure, improve border management tools, and have more access to critical data. Finally, it requires a long-term commitment to mutual security and economic benefit for the region, with more purposeful engagement with allies and partners.

In my testimony I outlined several concrete actions that DHS and the administration could undertake. One is to identify and analyze a broader range of economic security threats as core drivers of homeland security vulnerability. We need to continue to shift the intelligence and analysis framework to encompass a wider range of actors, threats, and data sources.

Second, reengaging and expanding private-sector supply chain partnerships to improve information and data that supports better intelligence gathering and analysis. We need more and deeper partnerships with the private sector, especially those involved in manu-

facturing, transporting, importing, exporting, and investing in commercial operations throughout Latin America. Extension of mechanisms like the Authorized Economic Operator Program offers potential pathways to work with more private-sector actors and have more access to trade data.

Third, conducting a detailed review of China's multi-layered influence on ports and trade infrastructure is critical. DHS could lead or co-lead a comprehensive review of vulnerabilities at Latin American ports, including links to sanctioned entities, Chinese-made technology, assessment of 5G networks, trade data information, China's operations and maintenance strategies at ports, and assessing the risk of dual use infrastructure.

Fourth, expanding the effectiveness of Trade Transparency units. Trade Transparency Units, or TTUs, were established in 2004 to exchange trade data between the United States and trading partners to better understand the risks of trade-based money laundering. We really need to get at this problem, and TTUs are a good way to do it. Increasing investigative work to uncover Chinese money-laundering networks and financial institutions supporting them is absolutely critical. As my colleague Anthony Ruggiero and I have written, Congress should authorize the President to impose a range of sanctions on the facilitators who serve drug traffickers, including individuals who are grossly negligent concerning financial transactions or who export drug precursors.

Supporting legislation to counter kleptocracy and State-sponsored corruption is also critical. Legislation such as the Foreign Extortion Prevention Act, which was introduced in the last Congress, could help with expanding anticorruption enforcement tools and building on the Foreign Corrupt Practices Act.

Finally, a broader strategy to ally shore with regional partners can bring the benefit of new supply chains, emerging technologies, and opportunities to drive higher levels of U.S. and Western investment. DHS can help create the security framework that facilitates deeper trade, economic engagement, all of which is essential to protecting the homeland.

Thank you again for the opportunity to testify, and I look forward to your questions.

[The prepared statement of Ms. Dezenski follows:]

PREPARED STATEMENT OF ELAINE K. DEZENSKI

INTRODUCTION

Chairman Pfluger, Ranking Member Magaziner, and distinguished Members of this subcommittee, thank you for the opportunity to address you today on countering threats posed by nation-state actors in Latin America. I am pleased to provide relevant research and policy insights from FDD's Center on Economic and Financial Power (CEFP), where I serve as senior director and head.

CEFP, one of FDD's three centers on American power, was launched in 2014 to conduct cutting-edge research and promote strategies and policies to bolster an effective economic security framework that deters America's adversaries and protects U.S. national security objectives. Our lines of research and analysis focus on countering illicit finance, kleptocracy, and authoritarian corruption; economic warfare, including sanctions, export controls, and regulatory guard rails; new alliances for economic security; risks to USD primacy; and global supply chain risk.

Today, I will touch on several examples of how authoritarian states influence Latin America's political, economic, and security dimensions—impacting stability in the region and driving mass migration to the United States. Rising populism, slowing growth, hyperinflation, crime, endemic corruption, organized crime, and horri-

fyng violence are displacing populations and changing the economic and political dynamics. The influence of authoritarian regimes in Latin America continues to grow, especially China's outsized economic and political influence.

In the aftermath of 9/11, the Department of Homeland Security (DHS) was created to take a more unified, "whole-of-Government" approach to counter new and emerging asymmetric terrorist threats to the homeland. I was honored to help stand up the Department as deputy and acting assistant secretary for policy development and as director of the DHS Office of Cargo and Trade Policy. Those first years forming a new Department were both exhilarating and immensely challenging. We didn't have a playbook for most decision making. But we could count on and leverage the primacy of U.S. global leadership and economic influence, which allowed us to take essential steps at home and abroad to protect America from further attack.

Two decades later, we find ourselves in a new paradigm where elements of the U.S.-led global economic, trading, and monetary systems are being weaponized against us by foreign adversaries and competitors, and in the process, escalating the erosion of democratic rules and norms. The traditional terrorist threats evolved and persist, but now we face additional and fundamentally different sets of threats to the homeland that require new strategies and tactics—threats that are attacking not only our physical borders but our financial, digital, or trade borders as well.

OVERVIEW: RISING AUTHORITARIAN THREATS THROUGHOUT THE HEMISPHERE

A lack of a compelling and comprehensive U.S. vision for productive engagement with Latin America has left our hemisphere vulnerable to authoritarian encroachment and weakening economies. America's backyard, instead of being filled with democratic friends and booming economies, is home to Russian bombers and mercenaries, 29 Chinese-owned ports and port projects, a wide-spread Iran- and Russia-fueled anti-U.S. propaganda machinery, Chinese-enabled fentanyl and money-laundering operations, wobbling and fallen democracies, and wide-spread economic and political instability.

Over the last two decades, Latin America has seen wild swings from left-wing populists to right-wing populists and back, all of which have enabled corruption, disappointed their populations, and left the United States with fewer stable partnerships across the region. In response, Washington has settled into a hands-off approach to the region—allowing Venezuela and Nicaragua to slide into dictatorships and largely ignoring chaos in Bolivia, Peru, Argentina, and El Salvador. Since 2008, Latin America has seen a greater decline in democratic indicators than any other region in the world.

In addition to rising internal autocratic forces within Latin America, external autocratic forces are imposing their will upon the region with little in the form of a coordinated American response. Russia and Iran are increasingly active throughout the Americas, providing military assistance to Venezuela, evading sanctions in Cuba, or pushing misinformation and destabilizing democracy. The rising influence of authoritarianism throughout Latin America is pushing the region toward totalitarianism and away from the stable and interdependent democracies that would benefit both local citizens and the hemisphere at large.

The true autocratic behemoth in the region, however, is China, which has ramped up its economic investment throughout the hemisphere, driving deep debt dependency while pushing an anti-democratic vision of surveillance states and crumbling, corruption-driven infrastructure. Ecuador has already discovered "thousands" of cracks in its new \$3 billion Chinese-built and -financed hydroelectric dam. Chinese organized crime, with tacit state support, is infiltrating Central American drug trafficking and money-laundering operations—supercharging both. China has become deeply interwoven in Latin America's energy grids and critical infrastructure, putting basic services at risk to the whims of Beijing. And China is increasing its military engagement throughout the hemisphere, from booming weapons sales and anti-riot police gear to joint exercises and training. The United States needs a concrete strategy to address Chinese encroachment throughout the region, whether through its illegal overfishing off of South America's Pacific coast or its growing fentanyl operations throughout Latin America.

America's cool relations with Central and South America have, meanwhile, failed to capitalize on the tremendous promise of the region and its critical role in American economic and national security. A prosperous Latin America lowers the pressure on immigration to the United States, offers critical supply chain advantages, and is rich with resources and human talent that should catalyze 21st Century technologies. Mexico has frequently benefited from U.S. efforts to locate supply chains closer to home, but so much more could be done. "Ally shoring" shifts of U.S. manufacturing from Asia to Latin America could promote prosperity throughout the re-

gion, lower costs for American businesses, and reduce pressures contributing to political instability and mass migration.

CORRUPTION, TRADE, CRITICAL MINERALS, AND INFRASTRUCTURE: THE BRI'S BAD DEAL

Trade between China and Latin America has skyrocketed over the last two decades, increasing more than 25 times in that span. Over the next decade, trade between China and the region is projected to double again to over \$700 billion. Chinese loans have also increased the debt burden of Latin American countries by \$138 billion. Much of that debt has come from China's Belt and Road Initiative (BRI)—a program that promises quick infrastructure and election-friendly megaprojects for which leaders in the region have been eager to sign up. Latin America trails only Asia in terms of BRI funding, having received more funding between 2005 and 2021 than Africa.

BRI projects are particularly appealing to the rulers of overindebted countries with weak governance standards since BRI loans provide no protection against corruption or limitations on indebtedness. Unfortunately, while BRI mega-projects are appealing to political leaders and their cronies, they have left a troubling legacy of corruption, broken promises, substandard infrastructure, opaque contractual terms, and mountains of debt.

In Ecuador, the \$3.4 billion Coca Codo Sinclair hydroelectric project was supposed to provide 1,500 megawatts of electricity for Ecuador's people. Instead, Ecuadorian officials, including former President Lenin Moreno, received more than \$75 million in bribes, and the citizens of Ecuador received a dam with at least 17,000 known cracks—putting the entire project and the lives of locals living downstream at risk. A million Ecuadorians were displaced to build the dam. Now there is major doubt that it will ever be fully operational.

Still, the Chinese debt continues to get paid under opaque terms that let Beijing walk away with 80 percent of Ecuador's oil—its most valuable export. On top of that, China gets the oil at a massive discount, allowing Beijing to resell the oil on the open market for a profit that should be going to Ecuador.

China has been aggressive in its attempts to exploit Latin America's abundant natural resources as it seeks to monopolize critical supply chains vital to the world's energy future. China controls around 65 percent of global lithium processing and refining capacity. In South America's Lithium Triangle of Argentina, Bolivia, and Chile, home to over half of the world's known lithium reserves, China is working to corner the market in all three countries.¹

American companies, meanwhile, are being sidelined under suspicious circumstances. The U.S. company EnergyX, the only bidder in Bolivia to successfully demonstrate its technology with a pilot plant on-site, was disqualified from bidding after missing a deadline by 10 minutes. The project was ultimately awarded to a consortium of Chinese companies.

Finally, a positive trading relationship between the United States and Latin America has slowly been eroded and replaced with substantial Chinese engagement. This has spurred Brazil to push to resurrect the BRICS alliance as a non-America alternative trading and economic engagement bloc. In particular, Brazil has been vocally promoting the idea of pursuing a BRICS-based currency as an alternative to U.S. dollar primacy and dollar-based trade, with others in Latin America, such as Argentina and Venezuela, actively looking to join the alliance.

The United States, mobilizing its innovative private sector, has much more to offer Latin America than an alliance with a moribund Russia and a corrupting China can provide. To date, however, commercial risk-aversion and U.S. Government disinterest has allowed China to carve out a dominant economic relationship throughout the region, much to the detriment of economic security in the Americas. The current "Americas Partnership for Economic Prosperity" is an important initiative that focuses on enhancing trade in this critical region, but it needs resources. The United States must do more to engage economically with others in the hemi-

¹Diana Roy, "China's Growing Influence in Latin America," *Council on Foreign Relations*, June 15, 2023. (<https://www.cfr.org/background/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri>); "Ganfeng Global Layout," *Ganfeng Lithium*, accessed June 16, 2023. (http://www.ganfenglithium.com/about3_en.html); "Zijin Mining Completes Acquisition of Neo Lithium," *ZiJin*, February 5, 2022. (<https://www.zijinmining.com/news/news-detail-119227.htm>); Ward Zhou, An Limin, Luo Guoping, and Lu Yutong, "China consortium to develop lithium deposits in Bolivia," *Caixin* (China), January 27, 2023. (<https://asia.nikkei.com/Spotlight/Caixin/China-consortium-to-develop-lithium-deposits-in-Bolivia>); Antonio De la Jara, "Tianqi buys stake in lithium miner SQM from Nutrien for \$4.1 billion," *Reuters*, December 3, 2018. (<https://www.reuters.com/article/us-chile-tianqi-lithium/tianqi-buys-stake-in-lithium-miner-sqm-from-nutrien-for-4-1-billion-idUSKBN10217F>).

sphere, expanding and reinvigorating free trade agreements and de-risking the environment for private capital and companies. Strong private-sector engagement combined with a U.S. reprioritization of the rule of law and transparency in Latin America has the potential to substantially stabilize conditions in the hemisphere and diminish the conditions that contribute to U.S.-bound migration.

PORTS, LOGISTICS, DATA, AND SURVEILLANCE: LOGINK, CRANES, AND 5G

China's 29 ports in Latin America control vast swaths of regional trade, but China also manufactures 96 percent of all shipping containers and 80 percent of the world's ship-to-shore cranes, and they lead the world in shipping capacity. Ships, containers, and cranes are only the beginning. Chinese-operated ports not only commercially link Beijing to the world but also act as outposts for data gathering and surveillance on a massive scale. China's port companies are legally required to collect information for the Chinese Communist Party.

Data collection is happening everywhere in the ports and providing China with a significant asymmetric advantage. Seemingly mechanical shipping cranes are being investigated as spying tools. China's logistical software system, LOGINK, is being used at ports around the world and tracks a wide range of trade, market, and maritime information, including: vessel and cargo status, customs information, billing and payment data, geolocation data, price information, regulatory filings, permits and driver's licenses, trade information, and booking data—information that gives Beijing critical commercial and geopolitical advantages. Chinese ports have 5G towers providing Wi-Fi to cruise ship tourists, and China provides the operating systems for the ports facility computers.

China's information advantage could permit Beijing to pinpoint economic attacks on critical U.S. trade and supply chain vulnerabilities. Even worse, China has knowledge and control over vast amounts of maritime infrastructure that underlies the shipping of Western military supplies, equipment, and components—cornering logistical data that could severely undermine U.S. and allied military capabilities in any potential conflict.

China's high-powered navy—now the largest in the world—also maintains critical advantages by having access to a global web of state-owned ports. Chinese commercial ports routinely host ships from China's navy and could act as critical resupply points—providing a massive tactical advantage in any potential conflict. China is, moreover, actively pursuing civilian/military interoperability to make infrastructure, such as its ports, even more militarily valuable.

Foreign ownership or control of global ports and their informational infrastructure is not an intrinsic hazard. However, given China's aggressively adversarial economic and geopolitical posture toward the West, it is critical that risks of China port-ownership are fully understood and mitigated. This must begin with understanding what exactly China knows: what information it is collecting, what data streams it has access to, and what state-sponsored intelligence gathering is linked to its port operations.

The United States should also work closely with Canada and Mexico to ensure that China's logistical advantages do not allow Beijing to manipulate trade information in ways that undermine North American security, such as promoting trade-based money laundering, disguising fentanyl operations, aiding human trafficking, or contributing to other national security trade risks. In the same vein, the United States has an opportunity to collaborate with global allies that also face Chinese port-related risks to comprehensively examine and test operations and logistical systems to make sure that trade data is not being compromised or weaponized.

FENTANYL AND MONEY LAUNDERING: TWO SIDES OF THE SAME COIN

The fentanyl crisis has tremendous consequences for the United States. One hundred thousand Americans are dying from drug overdoses a year—the vast majority of those from synthetic drugs like fentanyl. That is more than all the deaths from car crashes and gun violence combined. While most Americans understand the impact of fentanyl on our communities, what is less understood is the sophisticated network of internationally organized criminal syndicates, illicit precursor supply chains, and Chinese money-laundering operations that underpin this tragedy.

Fentanyl is unique, both in its lethal nature and in terms of the victims it targets. By and large, fentanyl is not being used by the general addict population but is much more likely to be used, unknowingly, by children and first-time users that believe they are buying legitimate pharmaceuticals, like Adderall or Vicodin . . . with deadly consequences. By disguising fentanyl (which costs as little as 10 cents a pill to produce) as more profitable pharmaceuticals, Mexican cartels make a killing by killing American kids.

Tragically, fentanyl is a drug crisis that is simultaneously a money-laundering crisis, chewing up American children in the process. Fentanyl, manufactured in Mexico from precursor chemicals imported openly from China, is just one link in a money-laundering process that is primarily designed to allow Chinese nationals circumvent China's strict controls on taking cash out of the country. Chinese money launders take dollars from the drug cartels, sell them to Chinese expats for yuan, trade the yuan to Mexican businesses that trade with China, taking pesos back, and then they sell the pesos back to the drug cartels—with the money launderer taking a cut at every transaction. One anonymous U.S. source described the Chinese operation as “the most sophisticated form of money laundering that’s ever existed.”

We can no longer consider our border a physical barrier between the United States and Mexico. Increasingly, our trade and financial borders reach world-wide—and China is taking advantage, breaching those borders at will. As Admiral Craig Fuller, commander of U.S. Southern Command, said in 2021, Chinese money laundering is “the No. 1 underwriter of transnational criminal organizations.” As another expert pointed out, China launders roughly half of the world’s illicit money, responsible for cleaning approximately \$2 trillion in illicit proceeds a year.

Fortunately, the illicit finance backbone of the fentanyl trade is also its greatest weakness. While interdicting tiny pills at the physical border is nearly impossible, truckloads of cash are passing right under our noses, running through our financial system and, often, operating in plain sight. Building a strategy to follow and attack the money, therefore, will do far more to stem the dramatic rise in overdose deaths than any other drug enforcement strategy.

MISINFORMATION AND RISING AUTHORITARIANISM

Authoritarian regimes are driving migration to the Southern Border in tremendous numbers with migrants from Cuba, Venezuela, and Nicaragua now outnumbering even migrants from the Northern Triangle of Honduras, El Salvador, and Guatemala. If we are seeking to address the root causes of migration, addressing rising authoritarianism is a strategic imperative. It also means fighting back against a false narrative designed to undermine the U.S. role in the region.

Authoritarianism throughout the hemisphere is increasingly supported and enabled by a sophisticated misinformation campaign by a new Axis of Authoritarianism, most notably Russia, Iran, and Venezuela. As Southern Command Administrator General Laura Richardson stated in her 2022 Posture Statement to Congress, “Russia intensifies instability through its ties with Venezuela, entrenchment in Cuba and Nicaragua, and extensive disinformation operations.”

Russia’s main conduits for propaganda throughout Latin America are Russia Today’s Spanish language channel, Actualidad RT, and Sputnik’s Spanish channel, Sputnik Mundo. These are channels are then amplified by the Venezuelan-led channel, TeleSur and the Iranian channel, HispanTV, whose broadcasts to Spanish-speaking audiences are closely intertwined with Russia’s.

As pointed out by my colleague, Emanuele Ottolenghi, “the Spanish language media networks controlled by Iran, Russia, and Venezuela push out conspiracy theories, fake news, whataboutism, and disinformation,” whereby authoritarian governments package “their imperialism as resistance, their terrorism as anti-terrorism, and their authoritarianism as democracy.”

Russia itself is transparent in its attempts to use propaganda as a weapon of war to promote its narrative throughout Latin America and build consensus for pro-authoritarian, anti-American policies. As the editor-in-chief of Russia Today stated “... not having your own foreign broadcasting is like not having a Ministry of Defense. When there is no war, it seems to be unnecessary. But damn, when there is a war, it’s downright critical.”

The reach of this propaganda is tremendous. RT’s Spanish Twitter account has 3.4 million followers. Its YouTube account has 5.9 million subscribers. TeleSur’s Twitter has 2 million followers.

The United States has not sanctioned any of these channels. It should.

Canada, the European Union, and the United Kingdom have already blocked RT and Sputnik with sanctions. After ordering the removal of Russian state-owned media from internet search results, the European Union imposed sanctions on RT and Sputnik in March 2022, and in May 2022, it banned additional Kremlin-backed media platforms, such as RTR Planeta, Russia 24, and TV Centre.

But RT and Sputnik are still available on cable, the internet, and social media, across the United States and throughout Latin America, with significant, negative impact on global audiences. U.S. sanctions could change that, severely degrading a key weapon to promote authoritarian disinformation.

Hispanic TV is owned by the Islamic Republic of Iran Broadcasting authority, or IRIB. The U.S. Department of Treasury has sanctioned IRIB. As an IRIB subsidiary, HispanTV, should also be sanctioned.

Russian and Iranian regimes further boost Latin American authoritarianism with military sales, joint exercises, direct funding, and commercial engagement. Iranian warships were recently welcomed to Rio de Janeiro, and 2 weeks ago, Iranian and Venezuelan officials signed 25 separate memoranda of understanding on issues that could be used for military cooperation or sanctions evasion. The United States must do more to push authoritarian regimes out of Latin America.

RECOMMENDATIONS

The challenge of authoritarian interference in Latin America presents critical questions about how the United States can use its vast economic and political power to drive stability, opportunity, investment, and democratic principles. Most critically, we must determine how we can leverage diplomatic and operational engagement in the region to secure our borders, convey benefit to more people throughout our hemisphere, and reinvigorate true democracy in the process. The U.S. Government, in close and aligned partnership with the private sector, must present a compelling vision for new economic alliances and democracy-reinforcing engagements that push back against the malign and corrupting influence of foreign authoritarian governments from Asia, Europe, and the Middle East.

DHS has a central role to play. DHS and its relevant components can implement a more effective strategy to understand, address, and mitigate threats to the homeland emanating from Latin America. But it requires a shift in mindset and thinking more creatively about the tools available and new ones required. In general terms, this demands that DHS:

- *Have a plan.* DHS should implement a more robust economic security threat assessment process that prioritizes foreign adversaries and strategic competitor interests.
- *Show up.* A risk-based approach to economic security threats can drive more effective deployment of both physical and digital boots on the ground for gathering intelligence and information, especially at ports, and establishing core relationships with government counterparts and private-sector actors.
- *Bring resources.* DHS must invest in its own critical security infrastructure in the region and more directly support USG efforts to bring more capital and private-sector partners to strategic regional investments, especially in critical supply chains, foreign commercial port operations, and other strategic vectors where we have known vulnerabilities.
- *Commit.* Long-term responses will send the right message to partners and allies. The post-9/11 operational readiness and investment strategies have largely fallen by the wayside. We need to send a stronger message to friends and partners in the region that we are committed to long-term partnerships. Otherwise, China and other malign actors will wait us out.

More specifically, DHS can undertake the following concrete actions to strengthen its efforts to combat malign authoritarian influence in Latin America:

- (1) *Identify and analyze a broader range of economic security threats as core drivers of homeland security vulnerability.*

New and emerging threats across Latin America—from rising authoritarianism, high-tech surveillance tactics, weaponized corruption, and increasingly deadly drugs—leave our borders, and our regional economic and security objectives, vulnerable to the malign influence of adversaries and competitors, from both within and outside of the Western Hemisphere. DHS must shift its intelligence and analysis framework to encompass a wider range of new actors, threats, and data sources to ensure that its intelligence and analysis anticipate a range of interrelated national and economic threats in Latin America as drivers of risk, vulnerability, and migration. The threat picture is complex and nuanced, but, at the same time, these actors also exploit existing mechanisms. Smuggling, trafficking, intellectual property violations, illicit trade, disinformation campaigns, and money laundering are flourishing and increasingly used by both transnational criminal organizations (TCOs) and authoritarian state actors. These tools are leveraged as mechanisms for strengthening criminal networks, advancing anti-American political and economic objectives, and exerting malign influence on the homeland. Meanwhile, threats from China's massive infrastructure investment strategy and growing trade relationships have dented U.S. economic leadership in the region while co-opting foreign officials willing to go along with Beijing's wishes and create unprecedented access to valuable natural resources, commercial infrastructure, and military engagement. These new and evolving vectors of risk should be more tightly woven into DHS's existing threat analysis.

- (2) *Re-engage and expand private-sector supply chain partnerships to improve information and data that supports better intelligence gathering and analysis.*

We need more and deeper partnerships with the private sector, especially those involved in manufacturing, transporting, importing, exporting, and investing in commercial operations and key supply chains in Latin America. Much like the immediate post-9/11 environment, it is critical to take a more collaborative approach to risk-based targeting and effective use of data to maintain a real-time view at the ports and across vital economic interests. But we need to evolve beyond legacy terrorist threats. Extension of mechanisms like the Authorized Economic Operator (AEO) program and additional Mutual Recognition Arrangements (MRAs) offers potential pathways. Created after 9/11 as part of the Bali Trade Facilitation Agreement, AEO is the equivalent of the Customs Trade Partnership Against Terrorism, or C-TPAT, for non-U.S. entities. Programs like AEO, if used effectively, can improve our “ground game” by connecting DHS with critical foreign-based private-sector organizations willing to provide more advanced trade data and information to CBP in exchange for expedited access at the borders. We need more connectivity to information and engagement with supply chain actors and operators that have access to valuable data streams. In some cases, additional private sector-driven link analysis and analytics can provide a much deeper view into the actions of individuals, entities, competitors, and adversaries and our global supply chain vulnerability. Working with AEOs and helping to grow private-sector participation in such programs could be a significant contributor to better informational and intelligence analysis.

- (3) *Conduct a detailed review of China’s multi-layered influence on ports and related critical trade infrastructure in Latin America and strategies to counter that influence.*

DHS and CBP should lead a comprehensive review of potential vulnerabilities at Latin American ports, including mapping Chinese ownership and links to the sanctioned entities; the implementation of Chinese-made technology, including cranes, screening devices, logistics software, and the security data associated with these capabilities; an assessment of 5G network access and ownership, cyber risks, relevant trade data information; understanding China’s operations and maintenance strategies and influence; assessing the risk of potential dual-use infrastructure; and investigating illicit actors and entities associated with critical infrastructure.

- (4) *Expand and enhance the effectiveness of Trade Transparency Units.*

Trade Transparency Units (TTUs) were established in 2004 to exchange trade data between the United States and its trade partners on a bilateral basis and improve the understanding of trade-based money laundering. TTUs should be resourced and supported as part of a broader effort to counter the illicit financial pathways favored by authoritarians.

As of 2020, the United States has trade transparency agreements—the mechanisms that allow for the exchange of information between jurisdictions—with over a dozen countries and their Trade Transparency Units (TTUs), primarily in Central and South America. An April 2021 GAO report recommended that DHS expand the number of agreements and “develop a strategy for the TTU program to ensure ICE has a plan to guide its efforts to effectively partner with existing TTUs, and to expand the program, where appropriate, into additional countries.”

Concurrently, Congress must work with the administration to strengthen the effectiveness of our own TTU. Another GAO report released in December 2021 identified two critical deficiencies:

1. The establishment of an “interagency collaboration mechanism to promote greater information sharing and data analysis between Federal agencies and with relevant private-sector entities on issues related to trade-based money laundering and other illicit trade schemes”; and
2. Ensuring that ICE take “steps to enable and implement sharing of the Trade Transparency Unit’s trade data—including for the purposes of trade data analysis about patterns or trends of illicit activity related to trade-based money laundering and similar schemes—with U.S. agencies with roles and responsibilities related to enforcing trade laws and combating illicit financial activity, as appropriate.”

As of today, these recommendations remain unresolved, with ICE officials noting that the “data-sharing agreements with foreign countries prohibit the sharing of their information, and data-sharing agreements among U.S. law enforcement agencies provide a mechanism to request access and authorization if an agency needs access.” Congress should review DHS’s authorities to find a way to streamline the exchange of information between the United States and partner TTUs.

- (5) *Increase investigative work to uncover Chinese money-laundering networks and the financial institutions supporting them.*

As my colleague Anthony Ruggiero and I have written, Congress should authorize the President to impose a range of sanctions on the facilitators who serve the drug traffickers, including individuals who are grossly negligent concerning financial transactions or export drug precursors. DHS can play a role in this effort by surging its investigative resources to identify entities involved in producing and shipping precursor chemicals and supporting surge capacity with law enforcement counterparts to investigate U.S.-based and foreign money-laundering networks and associated persons and entities.

Congress should also enact so-called secondary sanctions targeting those who do business with the primary targets of fentanyl sanctions. Specifically, the law should impose sanctions on foreign financial institutions that knowingly conduct or facilitate significant financial transactions on behalf of a sanctioned person.

- (6) *Support legislation to counter kleptocracy and state-sponsored corruption, such as the Foreign Extortion Prevention Act (FEPA).*

Corruption preys on weak regimes throughout Latin America, boosting authoritarianism, destroying lives and livelihoods, undermining U.S. interests, pushing out law-abiding U.S. companies, and facilitating China's bribe-fueled incursions throughout the hemisphere. U.S.-based and U.S.-listed companies face major consequences for bribing foreign officials under the Foreign Corrupt Practices Act. Corrupt officials, however, get off scot-free, as do the Chinese companies and officials bringing gift boxes filled with cash.

China is sidelining American companies in the race for critical resources, partnerships, and contracts largely because corruption and opacity are central features of Chinese engagement. In order to raise the stakes for crooked foreign officials and narrow the window for Chinese interference, Congress should consider expanding anti-corruption law enforcement tools such as those found in the Foreign Extortion Prevention Act (FEPA)—which would parallel the FCPA by criminalizing bribe demands made of U.S. and U.S.-listed companies.

FEPA had strong bipartisan support in the last Congress, is supported by the U.S. Chamber of Commerce and a broad coalition of civil society, and reflects a commitment included in the National Security Council's Strategy on Countering Corruption.

Chairman PFLUGER. Thank you, Ms. Dezenski.

The Chair now recognizes Mr. Hernandez-Roy for his opening statement of 5 minutes.

STATEMENT OF CHRISTOPHER HERNANDEZ-ROY, DEPUTY DIRECTOR AND SENIOR FELLOW, AMERICAS PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. HERNANDEZ-ROY. Chairman Pfluger, Ranking Member Magaziner, and distinguished Members of the Subcommittee on Counterterrorism, Law Enforcement, and Intelligence, thank you very much for allowing me to testify today on this important subject.

The democratic, relatively prosperous, and largely pro-U.S. nature of Latin America and the Caribbean has been a strategic asset for the United States for decades. Yet the region today is at a tipping point. There is a significant risk that it could become a liability in strategic competition with China, to a lesser extent Russia in the next decade.

In particular, the influence of extra regional authoritarians, to include also Iran, has been on the rise throughout Latin America. These actors pose an interlocking challenge to regional and by extension, U.S. security. While each possesses different capabilities and long-term objectives, they often coordinate both informally and formally to challenge U.S. influence in the region. It is therefore important to view these three actors not in isolation, but how their behaviors reinforce and interrelate.

Moscow, Beijing, and Tehran each espouse different geopolitical goals and world views, yet they have shown an alarming degree of convergence when it comes to effort efforts at fomenting discord and disruption within the United States' shared neighborhood. Such efforts come both through support for overt authoritarians, especially the dictatorial regimes of Cuba, Nicaragua, and Venezuela, but also where they cannot totally pull countries out of the U.S. orbit. These regimes seek to peel away once staunch U.S. allies and convert them into comparatively neutral bystanders. This can be seen with the rhetoric of the government of Brazil ascribing blame to both Ukraine and Russia for the war. In Argentina, Brazil and longstanding ally Colombia's refusal to sell Soviet legacy weapons to help Ukraine defend itself. It is noteworthy that no Latin American country, save Costa Rica, has joined the international sanctions effort against Russia. Russia's brutal and illegal invasion of Ukraine has caused autocracies the world over to close ranks and sharpen their competition with the United States and with fellow democratic allies.

From a Russian nuclear capable strategic bomber visiting Caracas a few years ago to more recent developments, such as the docking of Iranian warships in Brazil, to possible Iranian drone manufacturing in Venezuela for use against Ukraine, to revelations about Chinese espionage activities against the United States from Cuba and reported overtures to Haiti by the notorious Russian Wagner group. All have plainly illustrated the risks to U.S. security that come from allowing dictatorships to proliferate and coordinate their activities.

I should just add that yesterday it was revealed that China and Cuba are also discussing military training on the island, which might bring Chinese troops to the island.

Another comparatively underappreciated dimension is the role authoritarian alliances in helping dictators remain in power and repress their populations more effectively, accelerating mass irregular migration to the detriment of the region at large. The most dramatic example, of course, comes from Venezuela, where over 7.3 million people have left the country to escape Nicolas Maduro's gross mismanagement, misery, and repression. He remains in power, shored up by arms and intelligence from Russia, China, and Cuba and his sanctions evading oil trade with Iran.

Nicaragua has also seen a dramatic uptake in outward migration, with 600,000 people fleeing since the murderous state crack-down in 2018, creating an acute crisis in neighboring Costa Rica, while U.S. apprehensions of Nicaragua at the Southern Border have multiplied by a factor of more than 50 in the last 2 years. Cuba, the longest-standing dictatorship in the hemisphere continues to send migrants as the country's economy reels and as the regime further clamps down on dissent following the massive protests held on the island in July 2021.

The regime in Venezuela has taken advantage of the mass exodus of its people and the generous humanitarian responses from neighboring countries to send its spies abroad to continue to harass and persecute Venezuelan opposition figures in Colombia, for instance. Thus a U.S. adversary has taken advantage of this human wave to conceal the entry of spies into a traditional U.S. ally. This

begs the question of what more sophisticated U.S. adversaries like China and Russia might be doing to take advantage of the historic migration flows across the U.S. Southern Border.

The presence of dictatorial regimes within the Western Hemisphere offers a springboard for extra hemispheric authoritarians to expand their influence, co-opting, coercing, and manipulating other countries in the region to undermine their relations with the United States, often empowering antidemocratic forces in the process.

These challenges should not cause us to estimate the considerable advantages we still possess when it comes to geopolitical competition in the Hemisphere. Latin America, on the whole, still looks to the United States as its preferred partner. If the United States seizes the opportunity to present a comprehensive, well-resourced counteroffer, the region will consider it seriously. Crafting such a response, however, will require a sustained and forward-looking strategy for engagement, which to date has unfortunately appeared lacking from the U.S. Government, which has long turned to the region only in response to crisis and neglected it at other times.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Hernandez-Roy follows:]

PREPARED STATEMENT OF CHRISTOPHER HERNANDEZ-ROY

JUNE 21, 2023

Chair Pfluger, Ranking Member Magaziner, and distinguished Members of the Subcommittee on Counterterrorism, Law Enforcement, and Intelligence, I am very grateful for this opportunity to testify before you today. The views represented in this testimony are my own and should not be taken as representing those of my current or former employers.

The democratic, relatively prosperous and largely pro-U.S. nature of Latin America and the Caribbean (LAC) has been a strategic asset for the United States for decades. Yet, the region today is at a tipping point; there is a significant risk that it could become a liability in strategic competition with China and to a lesser extent Russia in the next decade. In particular, the influence of extra-hemispheric authoritarians, including Iran, has been on the rise throughout LAC. These actors pose interlocking challenges to regional, and by extension U.S. security. While each possesses different capabilities and long-term objectives, they often coordinate both informally and formally to challenge U.S. influence in the region. It is therefore important to view these three actors not in isolation, but how their behaviors reinforce and interrelate. Moscow, Beijing, and Tehran each espouse different geopolitical goals and world views, yet they have shown an alarming degree of convergence when it comes to efforts at fomenting discord and disruption within the United States' shared neighborhood. Such efforts come both through support for overt authoritarians, especially the dictatorial regimes in Cuba, Nicaragua, and Venezuela, but also where they cannot totally pull countries out of the U.S. orbit, these regimes seek to peel away once staunch U.S. allies and convert them into comparatively neutral bystanders. This can be seen with the rhetoric of the government of Brazil, ascribing blame to both Ukraine and Russia for the war, and in Argentina, Brazil, and long-standing ally Colombia's refusal to sell Soviet legacy weapons to help Ukraine defend itself. It is noteworthy that no LAC country, save Costa Rica, has joined the international sanctions effort against Russia for its war of aggression.

Russia's brutal and illegal invasion of Ukraine has caused autocracies the world over to close ranks and sharpen their competition with the United States and fellow democratic allies.¹ Indeed, recent developments in the region, from the docking of Iranian warships in Brazil, to revelations about Chinese espionage activities in Cuba, and overtures to Haiti by the notorious Russian Wagner group, have plainly illustrated the risks to U.S. security that come from allowing dictatorships to proliferate and coordinate their activities. Another comparatively under-appreciated di-

¹ Carlos Solar, "Is Russia's War in Ukraine Aiding the Survival of the Venezuelan Regime?", *The RUSI Journal*, 2023, 1–12, <https://doi.org/10.1080/03071847.2023.2195751>.

mension is the role of authoritarian alliances in helping dictators remain in power and repress their populations more effectively, accelerating mass irregular migration to the detriment of the region at large.

The most dramatic example of this comes from Venezuela, where over 7.3 million people have left the country as a result of the profound economic, security, and humanitarian crises brought on by the regime of Nicolás Maduro's gross mismanagement and repression.² Maduro nevertheless remains in power, shored up by arms and intelligence from Russia and China, and a sanctions-evading oil trade with Iran. Nicaragua has also seen dramatic upticks in outward migration, creating an acute crisis in neighboring Costa Rica, while U.S. apprehensions of Nicaraguans at the Southern Border have multiplied by a factor of more than 50 between fiscal years 2020 and 2022.³ Even Cuba, the longest-standing dictatorship in the hemisphere, has seen record-setting levels of migration as the country's economy continues to reel and as the regime further clamps down on dissent following the massive protests on the island in July 2021.⁴

Furthermore, the presence of dictatorial regimes within the Western Hemisphere offers a springboard for extra-hemispheric authoritarians to expand their influence, co-opting, coercing, and manipulating other countries in the region to undermine their relations with the United States, often empowering anti-democratic forces in the process.

These challenges should not cause the United States to underestimate the considerable advantages it still possesses when it comes to geopolitical competition in the hemisphere. LAC on the whole still looks to the United States as its preferred partner. If the United States seizes the opportunity to present a comprehensive, well-resourced counteroffer, the region will consider it seriously. Crafting such a response however will require a sustained, and forward-looking strategy for engagement with LAC which to date has unfortunately appeared lacking from a United States Government which has long turned to the region only in response to crisis and neglected it at all other times.

RUSSIA: THE GREAT DISRUPTOR

Facing resource constraints which have only grown more acute in the wake of its 2022 full-scale invasion of Ukraine, Russia nevertheless evidences a brazen disregard for international norms and law in its efforts to disrupt the security of the United States and allies, including in the Western Hemisphere. While Russia cannot compete with China or the United States in provision of raw economic assistance, it makes up for this through the sheer diversity of avenues in which Moscow seeks to advance its interests by any means necessary.

Russian influence in the region primarily comes from security ties, fostered through Moscow's global arms industry which countries across Latin America have relied upon in the past to fill their armories with cheap, reliable weapons and equipment. In June 2022, Nicaragua renewed the mandate for Russian military forces to operate within its borders. Russia also maintains a number of GLONASS satellite positioning stations, with one outside of Managua and another scheduled to be deployed in Venezuela.⁵ The infamous Wagner private military contractor has also set up shop in Venezuela, providing security for Maduro and training the Venezuelan armed forces.⁶ The role of this shadowy state-affiliated mercenary group is cause for elevated concern especially as leaked U.S. intelligence reports have indicated the group also explored contracts to provide security in Haiti. More recently, reports have circulated of Cuban citizens living in Russia signing up to fight in Ukraine,

²"Refugees and Migrants from Venezuela," R4V, accessed June 16, 2023, <https://www.r4v.info/en/refugeeandmigrants>.

³Charles G. Ripley III, "Crisis Prompts Record Emigration from Nicaragua, Surpassing Cold War Era," Migration Policy Institute, March 7, 2023, <https://www.migrationpolicy.org/article/record-emigration-nicaragua-crisis>.

⁴Ed Augustin and Frances Robles, "Cuba Is Depopulating: Largest Exodus Yet Threatens Country's Future," *The New York Times*, December 10, 2022, <https://www.nytimes.com/2022/12/10/world/americas/cuba-us-migration.html>.

⁵Julietta Pelcastre, "Russia to Install Satellite Navigation System in Venezuela," *Diálogo Américas*, September 22, 2022, <https://dialogo-americas.com/articles/russia-to-install-satellite-navigation-system-in-venezuela/#.ZBuGhHbMJPY>.

⁶Brian Katz, Seth G. Jones, Catrina Doxsee, and Nicholas Harrington, "The Expansion of Russian Private Military Companies," *CSIS*, September 2020, <https://russianpmcs.csis.org/>.

while Havana and Russian client state Belarus recently inked a deal for Cuban forces to help train the Belarussian military.⁷

Cybersecurity is another vulnerability which Russia has proven adept at exploiting. This in some respects can be traced to a lack of awareness across the region as to the vulnerabilities faced from infiltration by malign foreign actors. This extends even to regional ministries and national defense institutions. The Brazilian military for instance relies on Russian firm Kaspersky Lab for data protection services, even to the point of renewing its contract the summer of 2022 as the war in Ukraine raged.⁸ Russian cyber actors have also used their technologies to interfere in elections in Chile, Colombia, Ecuador, and Peru, among others. This has mostly taken the form of disinformation and amplifying polarizing voices and showcases Moscow's well-developed mis- and disinformation tactics. Such capabilities are further augmented by ostensibly aboveboard news outlets. RT en español and Sputnik Mundo, Russia's Spanish-language mouthpieces, have over 30 million viewers in Latin America and the Caribbean, with media agreements to operate in 11 countries.⁹ Russia's ability to exploit mis- and disinformation opportunistically was on display recently when images from Mexico of cartel soldiers wielding U.S.-made AT-4 anti-tank missile launchers began circulating on social media. Russian sources, amplified by Moscow's embassy in Mexico City, seized on the narrative that these launchers were redirected from U.S. arms shipments to Ukraine, pushing false claims that the war there was fueling Mexico's internal security challenges.¹⁰

Russia's on-going war has also touched off a wave of migration, as thousands of mostly young, educated Russians flee the country by increasingly circuitous and dangerous routes to avoid being drafted to fight in Ukraine. The number of Russian nationals encountered at the United States' border quadrupled between 2021 and 2022. Russians seeking entry to the United States often transit through Mexico due to significantly easier visa requirements.¹¹ While these outflows underscore the unpopularity of Moscow's war, they create novel challenges for North American security as well. Rising levels of Russian migrants through Mexico open new revenue streams for criminal groups engaged in human smuggling. Those fleeing Russia are not the only newcomers to Mexico, which, according to U.S. Northern Command, is home to the largest concentration of GRU agents outside of Russia.¹² Weaknesses in screenings of Russians seeking asylum may therefore present new avenues for Moscow to infiltrate and disrupt the United States itself, to say nothing of the corrosive effects on regional security Russian espionage has already produced.

CHINA: CIVIL-MILITARY FUSION

The People's Republic of China (PRC) engages with LAC first and foremost through an economic framework. Between 2000 and 2020, the PRC's share of trade with the region grew eightfold, and China's signature Belt-and-Road Initiative (BRI) has successfully garnered some 21 signatories in the hemisphere. Nevertheless, viewing Beijing's relationship to the Western Hemisphere solely as one of trade obscures many of the more nefarious activities which have emerged as part and parcel of expanded PRC engagement.

The PRC's interests in LAC are manifold. Broadly speaking, LAC is vital to China's economic development, as it is home to extensive deposits of natural resources, including minerals and metals such as copper and lithium, as well as petroleum products. LAC is also key for China's food security, with the region representing

⁷ Evan Dyer, "Cornered in Ukraine and isolated by the West, the Kremlin returns to Cuba," *CBC*, June 3, 2023, <https://www.cbc.ca/news/politics/russia-cuba-ukraine-putin-missiles-1.6863359>.

⁸ "Kaspersky: 'Now we have to explain the political issues'," *BNamericas*, June 15, 2022, <https://www.bnamericas.com/en/news/kaspersky-now-we-have-to-explain-the-political-issues>.

⁹ Calos Malamud, Mira Milosevich-Juaristi, and Rogelio Núñez, "Latin America in the Ukraine crisis: a pawn in the game for Putin's resurgent Russia," *Real Instituto Elcano*, March 3, 2022, <https://www.realinstitutoelcano.org/en/analyses/latin-america-in-the-ukraine-crisis-a-pawn-in-the-game-for-putins-resurgent-russia/>.

¹⁰ "Propaganda: Russian Embassy in Mexico Accuses Ukraine of Arming Mexican Cartels with US Weapons," *Puerto Vallarta Daily News*, June 2, 2023, <https://www.vallartadaily.com/propaganda-russian-embassy-in-mexico-accuses-ukraine-of-arming-mexican-cartels-with-us-weapons/>.

¹¹ Yulia Vorobyeva, "Entrepreneurial newcomers: Russian-speaking migrant smugglers on the U.S. southern border," *Global Initiative Against Transnational Organized Crime*, May 11, 2023, <https://globalinitiative.net/analysis/russian-migrant-smugglers-us-southern-border/>.

¹² MDN Staff, "More Russian spies in Mexico than any other country: US defense official," *Mexico News Daily*, March 25, 2022, <https://mexiconewsdaily.com/news/more-russian-spies-mexico-us/>.

much of the PRC's food imports.¹³ Increasingly, as China's economy cools off from its previous red-hot growth, China is turning toward LAC countries not merely for their raw materials, but as a base of consumers eager to purchase Chinese-manufactured products. Geopolitically, China has long been fixated on the region as home to the majority of sovereign states that continue to recognize Taiwan. The PRC has assiduously chipped away at this number, and three Central American countries—Panama, El Salvador, and Nicaragua—have switched diplomatic recognition from Taiwan to China since 2017. So too has the nearby Caribbean Island nation of Dominican Republic, and in March 2023, the government of Xiomara Castro in Honduras recognized the PRC, opening an Embassy in Beijing on June 11; a move which brought the total number of Taiwanese diplomatic allies in the region down to just 7 countries. In Guatemala as well, which is headed toward Presidential elections at the end of June, outward support for Taiwan may nevertheless belie an internal calculus where recognition is far more contingent. Should recognition of Taiwan slip further in the hemisphere, the PRC will in all likelihood be further emboldened in its rhetoric and provocations directed toward the island.¹⁴

While the PRC has clear strategic interests underpinning its focus on LAC, China's engagement in the hemisphere is largely regime-agnostic. Nevertheless, high levels of PRC engagement have been associated with worrying trends in recipient countries' democratic health. China often acts as a "lender of last resort," bankrolling authoritarian governments when other sources of financing will not touch these. The China Development Bank and the Export-Import Bank of China offered in excess of USD \$137 billion to the region in loans to various sectors, Venezuela being the single greatest recipient of Chinese loans at USD \$60 billion.¹⁵ Furthermore, China's public security initiatives have raised concerns after the PRC's "safe cities" surveillance technology was associated with crackdowns on opposition parties in countries like Ecuador under the Correa government, to say nothing of China's assistance with social control and digital monitoring in Venezuela.¹⁶

Military and security collaboration is also a growing aspect of Chinese activity in LAC. China has sold equipment to military and police forces from countries historically opposed to the United States—such as Venezuela, Cuba, and Bolivia—as well as close American partners like Colombia, Chile, and Ecuador. Venezuela, however, is by far the region's largest buyer of PRC arms. Between 2009 and 2019, \$615 million in weapons was sold to Venezuela.¹⁷ China could be poised to make greater arms sales to fill a vacuum left by Russia needing to keep supplies at home due to its invasion of Ukraine. In addition to military sales, the People's Liberation Army has a burgeoning presence in the region, which it maintains through training and visits, permitting it greater familiarity with countries' operational frameworks and preparedness, as well as their strategic doctrine and training routines. China has furthermore exploited a paucity of U.S. police assistance in the region, coupling this with the dire security crises faced by countries throughout the hemisphere, to advance its own model of security assistance.¹⁸

While China leads with trade and investment, security concerns are never far off, as one report by the Asia Society outlines how China employs "civil-military fusion" in its development projects, ensuring that they are designed to specifications that offer both commercial and military advantages.¹⁹ In Latin America, this manifests in projects like the Espacio Lejano space research station in Argentina, which is effectively off-limits to inspection by Argentine authorities. Analysts have noted that, while certainly capable of its stated purpose of deep space scientific research, the

¹³Ryan C. Berg, and Thiago de Aragão "Is Latin America Important to China's Foreign Policy?" CSIS, CSIS Commentary, September 9, 2021, <https://www.csis.org/analysis/latin-america-important-chinas-foreign-policy>.

¹⁴Leland Lazarus and Ryan C. Berg, "What Taiwan Can Learn from Honduras's Switch to China," *Foreign Policy*, March 31, 2023, <https://foreignpolicy.com/2023/03/31/latin-america-taiwan-china-honduras-united-states-diplomacy-tsai/>.

¹⁵"China-Latin America Finance Databases," The Inter-American Dialogue, Accessed June 16, 2022, https://www.thedialog.org/map_list/.

¹⁶Jaime Moreno, "China Seen Backing 'Digital Authoritarianism' in Latin America," VOA, January 14, 2022, <https://www.voanews.com/a/china-seen-backing-digital-authoritarianism-in-latin-america-/6398072.html>.

¹⁷Lara Seligman, "U.S. Military Wary of China's Foothold in Venezuela," *Foreign Policy*, April 8, 2019, <https://foreignpolicy.com/2019/04/08/us-military-wary-of-chinas-foothold-in-venezuela-maduro-faller-guaido-trump-pentagon/>.

¹⁸Brian Fonseca and Leland Lazarus, "China Is Exploiting a U.S. Police Void in Latin America," *Foreign Policy*, April 27, 2023, <https://foreignpolicy.com/2023/04/27/cities-summit-americas-united-states-china-police-safe-city-bri/>.

¹⁹Daniel R. Russel and Blake H. Berger, "Weaponizing the Belt and Road Initiative," The Asia Society Policy Institute, September 2020, <https://asiasociety.org/policy-institute/weaponizing-belt-and-road-initiative>.

station could readily be used for satellite telemetry tracking and control, collecting signals intelligence, and even potentially missile guidance, tools which would serve China well in a potential conflict scenario.²⁰ Even further south, the PRC is seeking to expand its presence with a new agreement between Chinese state-owned Shaanxi Chemical Industry Group Co. Ltd. and the province of Tierra del Fuego to begin construction on a port in Ushuaia, a key gateway to the Antarctic, and strategic chokepoint along the Drake Passage and Strait of Magellan.²¹ In Peru, a mega-port is being built by a state-owned company from China which will become a key link between China and Latin America, ensuring Chinese supply chains of metals, critical minerals and agricultural products.²² General Laura Richardson in recent testimony before Congress has also raised concerns that Chinese-constructed infrastructure along the Panama Canal could be easily turned to military purposes in the event of a conflict or crisis scenario.

Finally, approximately 100 miles off the coast of Florida, the White House has now confirmed the presence of a PRC-run base, replete with long-range radars and other electronic surveillance equipment directed toward the United States.²³ The revelations underscore how the PRC utilizes its economic heft to extract far more expansive geopolitical advantage. Cuba, undergoing its most severe economic crisis since the collapse of the Soviet Union, reportedly accepted billions of dollars from China to take over and upgrade the facility in a trade which was likely too good to refuse for Havana.²⁴

As with Russia, a growing trend of Chinese nationals seeking respite from repressive policies at home have been pursuing circuitous routes to the United States by way of LAC countries. According to U.S. Customs and Border Patrol data, more than 4,000 Chinese nationals were encountered between October 2022 and February 2023 at the Southern Border, a dramatic uptick from the 421 encounters reported during the same period from 2021 and 2022.²⁵ Typically, these individuals arrive via countries like Ecuador which does not have a visa requirement for Chinese citizens to visit. From there, they travel a long and often dangerous road, together with tens of thousands of Latin American and Caribbean migrants transiting the Darién Gap between Colombia and Panama.

IRAN: OPPORTUNISTIC ENCROACHMENT

Often viewed as a secondary, or even tertiary player in the hemisphere, Iran's engagement with LAC exacerbates many of the challenges outlined above. The continued global sanctions regime against Iran limits its tools for influence and has largely relegated Iranian influence in the hemisphere to Venezuela, Nicaragua, and Cuba, which are already willing to flaunt U.S. sanctions. Here, Iranian engagement has a complementary effect to more well-established and substantive Russian and Chinese efforts.

The docking of Iranian warships in Rio de Janeiro in March 2023 and high-level visits by Iranian officials to Caracas and Managua and Havana suggest Iran is seeking to project military power throughout the region in addition to economic benefit. Diplomatically, it appears Iranian Foreign Minister, Hosein Amir Abdollahian's February 2023 tour of the hemisphere's dictatorships was a preview for an even greater engagement, as President Ebrahim Raisi began making the same circuit of visits on

²⁰ Matthew P. Funairole, Dana Kim, Brian Hart, Joseph S. Bermudez Jr., "Eyes on the Skies: China's Growing Space Footprint in South America," CSIS, Hidden Reach no. 1, October 4, 2022, <https://features.csis.org/hiddenreach/china-ground-stations-space/>.

²¹ Laureano Pérez Izquierdo, "Avanza el puerto de China en Tierra del Fuego: el gobernador ratificó con un decreto el memorándum con el régimen," *Infobae*, June 8, 2023, <https://www.infobae.com/politica/2023/06/08/avanza-el-puerto-de-china-en-tierra-del-fuego-el-gobernador-ratifico-con-un-decreto-el-memorandum-con-el-regimen/>.

²² Tibusay Zea, "A state-owned company from China is building a massive commercial port in Peru," *PRI The World*, September 20, 2022, <https://theworld.org/stories/2022-09-20/state-owned-company-china-building-massive-commercial-port-peru>.

²³ Dave Sherwood and Matt Spetalnick, "Las imágenes de la base cubana que China utiliza para espiar a Estados Unidos y el testimonio de los vecinos: 'Aquí se sabe todo,'" *Infobae*, June 14, 2023, <https://www.infobae.com/america/america-latina/2023/06/14/las-imagenes-de-la-base-de-espionaje-china-en-cuba-y-el-testimonio-de-los-vecinos-aqui-se-sabe-todo/>.

²⁴ Walter Russell Mead, "Russia, China, and Iran in America's Backyard," *The Wall Street Journal*, June 12, 2023, <https://www.wsj.com/articles/adversaries-in-americas-backyard-china-russia-cuba-spy-base-iran-monroe-9504c189>.

²⁵ Alicia Chen, "Growing numbers of Chinese citizens set their sights on the US—via the deadly Darién Gap," *The Guardian*, March 8, 2023, <https://www.theguardian.com/world/2023/mar/09/growing-numbers-of-chinese-citizens-set-their-sights-on-the-us-via-the-deadly-darien-gap>.

June 12.²⁶ In the past, Iran allegedly sent members of its Quds Force to help Nicolás Maduro stay in power, including with arms shipments.²⁷ Informed observers have speculated that in return, Maduro may be shipping Venezuelan-made kamikaze drones, or their parts, on regular triangular flights between Venezuela, Tehran, and Moscow.²⁸

Another security concern is the continued presence of Hezbollah in Latin America. The group's origins in the region extends back decades, where they were originally concentrated around the Southern Cone, especially the tri-border area of Paraguay. Today, Hezbollah operations have shifted northwards, mainly to Venezuela where they have a sympathetic backer in the form of the Maduro regime.²⁹ The group has been responsible for helping Maduro launder gold as well, with Israeli intelligence revealing in February 2023 the existence of a gold smuggling operation between Caracas and Tehran facilitated by Hezbollah.³⁰

CROSS-CUTTING THEMES

All three extra-hemispheric authoritarian regimes recognize that their goals in Latin America are aligned for the time being, and all have a vested interest in sustaining anti-U.S. regimes, and disrupting U.S. security. In many cases, there is strong complementarity between the interests of these authoritarians. China for instance has high demand for cheap oil, while both Iran and Venezuela need to find clients willing to buy their energy exports in the face of sanctions. At other times, cooperation among autocrats gives different regimes the ability to defray costs and deflect responsibility. Russia for example can supply Nicaragua with arms and equipment while entrusting the training of its repressive apparatus to Venezuelan and Cuban officials.³¹

Accordingly, it must be understood that autocrats around the world follow a similar “playbook” of policies for how to take and hold power, clamp down on dissent, and survive in the face of international pressure. Nicaragua’s Foreign Agents Law for instance was closely modeled after Russia’s, allowing it to clamp down and expel dissenting voices.³² Cybersecurity and the information space more broadly represent key vulnerabilities that malign authoritarians view as entry points for influence, many countries in the region still do not take their data security seriously enough.

Another common thread is the linkage between authoritarian regimes and migration. Dictatorships are associated with a number of push factors for migration, the most basic of which is the simple reality that most people do not wish to live under unaccountable and repressive governments. This is evidenced today by the thousands of Russian and Chinese nationals who have uprooted and risked their lives in an attempt to find better conditions oceans away. Autocracies also drive migration by adopting poor economic policies and channeling resources to inner circles while the rest of the country languishes. Venezuela is perhaps the archetypical case of such gross economic mismanagement producing the world’s largest migration crisis outside of an active war zone. Authoritarianism is part and parcel of the root causes of migration, and ought to be treated as such in any U.S. response.

²⁶ Arturo McFields, “Latin America’s tyrants open their arms to Iran,” *The Hill*, June 11, 2023, <https://thehill.com/opinion/national-security/4043440-latin-americas-tyrants-open-their-arms-to-iran/>.

²⁷ Michael R. Gordon and Ian Talley, “Iranian Arms, Fighters Bolster Maduro Government in Venezuela, U.S. Says,” *The Wall Street Journal*, December 2, 2020, https://www.wsj.com/articles/iranian-arms-fighters-bolster-maduro-government-in-venezuela-u-s-says-11606946275?mod=lead_feature_below_a_post.

²⁸ Farzin Nadimi, “Iran May Be Outsourcing Kamikaze Drone Production to Venezuela,” *The Washington Institute for Near East Policy*, November 17, 2022, <https://www.washingtoninstitute.org/policy-analysis/iran-may-be-outsourcing-kamikaze-drone-production-venezuela>.

²⁹ Matthew Levitt, “Iranian and Hezbollah Operations in South America: Then and Now,” National Defense University, *PRISM* 5, no. 4 (2016): https://cco.ndu.edu/Portals/96/Documents/prism/prism_5_4/Iranian%20and%20Hezbollah.pdf.

³⁰ Amir Bohbot, “Secret Hezbollah gold trade in South America foiled by Israeli intelligence,” *The Jerusalem Post*, February 26, 2023, <https://www.jpost.com/middle-east/iran-news/article-732802>.

³¹ Julieta Pelcastre, “Cuban Agents Advise Nicaraguan Military,” *Diálogo Américas*, August 10, 2019, <https://dialogo-americas.com/articles/cuban-agents-advise-nicaraguan-military/#.ZBuL93bMJPY>.

³² Ryan C. Berg, “Nicaragua’s Upcoming Election Highlights Need for Long-Term Forms of Pressure on the Ortega Regime,” *CSIS, CSIS Commentary*, August 6, 2021, <https://www.csis.org/analysis/nicaraguas-upcoming-election-highlights-need-long-term-forms-pressure-ortega-regime>.

RECOMMENDATIONS

The 2022 National Security Strategy notes that “No region impacts the United States more directly than the Western Hemisphere.”³³ Unfortunately, resources and political capital have not been commensurate with the scale of the threat posed by the interlocking efforts of Russia, China, and Iran, along with regional authoritarians. A comprehensive resource-backed approach to LAC is urgently needed if the region is to be secure, democratic, and prosperous. This would include, as one example, revising Development Finance Corporation rules to allow financing of projects in middle income counties of the region, especially given the huge disparities in development within different LAC countries.

Strengthen Regional Migration Responses.—Irregular migration remains one of the most profound challenges affecting the entire Western Hemisphere. As authoritarian regimes the world over contribute to mass outflows of people, the United States has an important leadership role to play in identifying and advancing solutions to manage migration, protect the security and rights of individuals in transit, and support host countries. At the same time, the United States should encourage countries with visa-free entry policies for Russian and Chinese nationals to reexamine their screening processes to prevent the espionage apparatuses of these regimes from gaining access to the United States and allies under the guise of humanitarian need. The opening of new migration processing centers in Colombia and Guatemala in this respect represents an important step forward. Reports of Russian efforts to negotiate visa-free entry with Mexico and a number of Caribbean states should also come as cause for concern, and the United States should be active in opposing measures which could facilitate the entry of Russian government agents into the region.

Invest in Digital Capabilities.—Cyber vulnerabilities not only create practical information security risks that damage the national security of Latin American and Caribbean countries, but a lack of general knowledge on cybersecurity opens the door to malign foreign powers offering facile solutions. SOUTHCOM, in partnership with CYBERCOM, and the Cybersecurity and Infrastructure Security Agency (CISA), can lead training with partner countries to outline key risks, and the elements of a better strategy to counter cyber threats.

Counter the Dictator’s Playbook.—As it becomes increasingly apparent that autocrats both within LAC and beyond are borrowing from a shared “playbook” of policies and tactics for maintaining their grip on power, the United States must double down on efforts to coordinate a response among like-minded democracies to counter instances of autocratization. Such a “democratic playbook” should include measures such as helping to strengthen democratic institutions, early warning signs for civil society watchdogs to track, forums like the Summit for Democracies which allow international coordination to pressure dictatorships, as well as a reexamination of how U.S. sanctions policy can be more effectively deployed against dictators and would-be autocrats.

Chairman PFLUGER. Thank you, Mr. Hernandez-Roy.

The Chair now recognizes Ms. Brandt for her opening statement of 5 minutes.

STATEMENT OF JESSICA BRANDT, POLICY DIRECTOR, ARTIFICIAL INTELLIGENCE AND EMERGING TECHNOLOGY INITIATIVE, FELLOW, FOREIGN POLICY, STROBE TALBOTT CENTER FOR SECURITY, STRATEGY, AND TECHNOLOGY, THE BROOKINGS INSTITUTION

Ms. BRANDT. Thank you, Chairman Pfluger, Ranking Member Magaziner, and distinguished Members of the subcommittee for inviting me to address you today on the threat posed by nation-state actors in Latin America to U.S. security.

With geopolitical competition resurgent, considerable attention has been paid to Russian and Chinese playbooks and authoritarianism more broadly. As has been widely documented,

³³ White House, National Security Strategy, 22. White House. National Security Strategy of the United States of America. Washington, DC: White House, October 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

Moscow and Beijing use a suite of low-cost deniable tools and tactics to conduct influence operations designed to undermine their democratic competitors and make the world safe for illiberalism. But Russia and China each apply the tool kit differently in Latin America than in their respective home regions. Within Latin America, they operate distinctly from one another in ways that reflect their unique capabilities and goals. Developing a coherent strategy to push back on Russia and China's coercive activities depends on an appreciation of these nuances.

Importantly, although Moscow and Beijing share certain near-term objectives, the two are operating on different trajectories and time horizons toward different long-term aims. Russia is a declining power by many measures, which seeks to disrupt the partnerships and institutions of its mostly Western competitor states here and now as a means of gaining relative advantage. With little to lose and perhaps something to gain for exposure from its asymmetric activities, it's not particularly sensitive to attribution. Seeing the benefits of chaos abroad, its efforts tend to be destructive.

China, by contrast, is a rising power with a great deal to lose from having its coercive activities laid bare. It does not seek disorder, but rather a new order more conducive to its interests, and so its efforts to change the status quo have tended to be more patient.

These nuances carry over into the ways that Russia and China have conducted information operations targeting audiences in the region. Whereas for Russia, building influence in Latin America is a means to the end of disrupting Western alliances and institutions, for China, it's a means of building support for Beijing's way of doing business. Where Moscow has a long history of this sort of activity abroad, China is just beginning to experiment with information manipulation far afield. Russian state media almost never covers Russia. Chinese state media covers China a great deal.

With that in mind, a word about Russia specifically. As you're likely aware, Moscow has made a concerted effort to promote its state media properties to Latin American audiences on-line, often with remarkable success. The Twitter account of RT en Espanol has more followers than RT's primary English language account, and it's retweeted nearly twice as often. On Facebook RT en Espanol has more than twice the followers of RT's English language version and more followers than any other Spanish language international broadcaster. On TikTok, it's more popular than BBC Mundo, El Pais, and Univision.

As it wages its assault on Ukraine, the Kremlin is putting these assets to use to erode support for Western countermeasures among Latin American publics, where opinion about the conflict appears up for grabs. For months, it has blamed Western sanctions for food and fuel shortages affecting the region.

I know themes related to immigration are of interest to the committee. Interestingly, at least within the overt space, there's limited apparent evidence that the Kremlin proactively stokes chaos at the border. The top 5 most retweeted Spanish language Russian state-backed messages on Twitter covering migration thus far this year offer praise for the Mexican president's handling of the issue. Immigration topics have surfaced in known covert information oper-

ations targeting the United States. That activity seems aimed at weaponizing politically divisive issue to exacerbate discord. It's not surprising, then, that some state-backed content on migration boosts domestic criticism of U.S. policy from both left and right.

Unlike Russia, China's ultimate objective is to frame itself as a responsible global power. So its information operations primarily seek to build a positive view of Beijing and its leadership. Its propaganda casts democracy as feckless or hypocritical and highlights the strength of its governance model. Beijing uses immigration policy to cast the United States as hypocritical and its advocacy for human rights around the world. This is in keeping with its strategy of deploying whataboutism to deflect criticism of its own rights record.

Distinguished Members, the United States needs a strategy for pushing back on Russia and China's asymmetric activity in Latin America. It should reflect these nuances, be rooted in the United States' own considerable asymmetric advantages, and uphold democratic values, recognizing that those values are strengths. To that end, there are numerous steps that Washington can take to position the United States for success. Let me propose three.

First, recognizing the range and reach of Russia's information manipulation activity in Latin America, Washington should focus attention and resources on public diplomacy in the region. This could entail investing in U.S. AGM outlets targeted to Latin American audiences, ensuring that the Global Engagement Center is optimally equipped to track Russian propaganda activity there, and supporting research on related themes. It could also entail facilitating best practice exchanges with independent journalists, researchers, fact checkers from across the hemisphere, and engaging democratic governments in the region to build resilience to a shared challenge.

There are more than 40 million Spanish speakers in the United States, and U.S. security interests are directly tied to events in the region. Washington cannot afford to cede the information environment to its competitors.

Second, Washington should conduct messaging campaigns grounded in truthful information to highlight the failures of oppression to audiences in Latin America. These campaigns could build on the successes of the administration's novel strategy of downgrading intelligence related to the war in Ukraine. They could call attention to the fact that although Russia and China position themselves as anti-imperialist powers, both are pursuing an expansionist foreign policies. They might also highlight the costs of China's Belt and Road initiative to the region. Doing so is in keeping with the strategy of exploiting Putin and Xi's fragility to open information.

Third, Washington must equip itself to see across the full threat picture, recognizing that Russian and Chinese coercive activities in Latin America and elsewhere are multidimensional. It's good then that Congress has established the Foreign Maligned Influence Center within DNI to consolidate analysis of this problem set. It's also good that the Center appears a resource to look at the full range of threats which go beyond elections.

As it does all this, Washington should coordinate with partners and allies, because ultimately, this is a contest over principles, and Washington's strong network of partners is perhaps its greatest advantage.

Distinguished Members, by drawing on a sophisticated picture of the complicated ways that Russia and China deploy coercive tools in Latin America, and taking these steps that flow from it, Washington can position itself to protect its interests and the American people.

Thank you.

[The prepared statement of Ms. Brandt follows:]

PREPARED STATEMENT OF JESSICA BRANDT

JUNE 21, 2023

Thank you Chairman Pflugar, Ranking Member Magaziner, distinguished Members of the committee, for inviting me to address you today on the threats posed by nation-state actors in Latin America to U.S. security.

With geopolitical competition resurgent, considerable attention has been paid to Russian and Chinese “playbooks” and authoritarianism more broadly. As has been widely documented, Moscow and Beijing use a suite of low-cost, deniable tools and tactics to conduct influence operations designed to undermine their democratic competitors and make the world safe for illiberalism. They wage these operations using at least four non-military, asymmetric tools: Economic coercion, political subversion, information manipulation, and cyber operations.¹

Importantly, Russia and China each apply the toolkit differently in Latin America than in their respective home regions. And within Latin America, they operate distinctly from one another, in ways that reflect their unique capabilities and long-term objectives. As I recently argued in the *Washington Quarterly*, together with AEI's Zack Cooper, developing a coherent strategy to push back on Russia and China's coercive activities in Latin America—and elsewhere—depends on an appreciation of these nuances. Many of the observations in this testimony are drawn from that work.²

RUSSIAN COERCION IN LATIN AMERICA

Russia takes a different approach to applying the authoritarian toolkit in Latin America than it does in its own region. Within Europe, Moscow endeavors to weaken political leaders and institutions to gain a relative edge over its competitors—in other words, as an end unto itself. In Latin America, Moscow's influence activities aim to dent the prestige of mostly Western liberal governments and institutions and the political model they represent. Which is to say, its activities are largely instrumental—a means to the ends of eroding cohesion within liberal democracies and among them, and to undermining their soft power. Throughout Latin America, the Kremlin works to frustrate relationships between the United States and its partners, deepening relationships with leaders that share Putin's desire to create alternatives to governance institutions that are dominated by the United States and Europe. As analyst Paul Stronski has argued, “Moscow hopes to embarrass Washington, and show that it too can make a foray into its main global adversary's backyard.”³

Economic Coercion

As elsewhere around the world, Russia uses commercial deals, primarily within the energy sector, as an avenue of influence in the region. To bolster Kremlin ally Nicolas Maduro, Russian state-controlled oil firm Rosneft poured roughly \$9 billion into projects in Venezuela between 2010 and 2019. “From the very beginning,” con-

¹For definitions, see: *Authoritarian Interference Tracker*. Alliance for Securing Democracy, <https://securingsdemocracy.gmfus.org/toolbox/authoritarian-interference-tracker/#methodology>.

²Brandt, J. & Cooper, Z. (2022). Sino-Russian Splits: Divergences in Autocratic Coercion, *The Washington Quarterly*, 45:3, 23–46, <https://doi.org/10.1080/0163660X.2022.2124016>.

³Stronski, P. and Sokolsky, R. (2017). *The Return of Global Russia: An Analytical Framework*, Carnegie Endowment for International Peace, <https://carnegieendowment.org/2017/12/14/return-of-global-russia-analytical-framework-pub-75003>.

ceded an executive involved in the effort, “it was a purely political project.”⁴ More recently, in order to build support for its confrontation with Western governments over Ukraine, the Kremlin softened the terms of loans it had made to Cuba worth more than \$2 billion. Both countries were among the five that abstained from or declined to participate in a U.N. vote last year denouncing Russia’s brutal invasion.⁵

Political Subversion

Because the Kremlin’s activities in Latin America are designed to strengthen ties with illiberal partners, rather than weaken the cohesion of liberal competitors, the Kremlin does not appear focused on undermining democratic political processes in Latin America, as it does closer to home. Moscow has, though, deployed private-security contractors linked to the Wagner group to prop up its ally in Caracas in opposition to U.S. interests, and its mercenaries have looked for opportunities to expand their presence in the region, from Haiti to Mexico.⁶ Russia’s economic and political influence activities in the region are by no means the primary driver of migration to the United States. However, to the extent that they facilitate corruption, make governments less responsive to their citizens, erode the rule of law, and otherwise undermine good governance, they contribute to migration’s root causes.

Information Manipulation

Within the information domain, Moscow has made a concerted effort to promote its state media properties on-line, often with remarkable success. The Twitter account of RT en Español (@actualidadRT) has more followers than RT’s primary English-language account (@RT_com) and is retweeted nearly twice as often. Of the five most frequently retweeted Russian state media and diplomatic accounts on Twitter thus far this year, three target Latin American audiences (@ActualidadRT, @mae_russia, @SputnikMundo).⁷ Last year, Russian Ministry of Foreign Affairs’ Spanish-language account (@mae_russia) was more frequently retweeted than its Russian-language one (@MID_rf), even though the latter tweeted more than five times as frequently.⁸ The same is true on other platforms. On Facebook, RT en Español has more than twice the followers of RT’s English language version, and more followers than any other Spanish-language international broadcaster. On TikTok, it is more popular than BBC Mundo, El Pais, Telemundo, and Univision.⁹

As it wages its unprovoked assault on Ukraine, the Kremlin is putting these assets to use to erode support for Western countermeasures among Latin American publics, where opinion about the conflict appears up for grabs. For months, it blamed Western sanctions for food and fuel shortages affecting the region. “The Russian military operation in Ukraine does NOT threaten the food supply,” argued the Russian MFA on Twitter in Spanish, for example, asserting that the “real reasons” for shortages include “myopic U.S. and European policies” and “illegitimate sanctions against Europe.”¹⁰ Spanish is the fourth most spoken language in the

⁴Lowe, C. & Sagdiev, R. (2019). “How Russia sank billions of dollars into Venezuelan quicksand,” *Reuters*, <https://www.reuters.com/investigates/special-report/venezuela-russia-rosneft/>.

⁵Others included Bolivia, El Salvador, and Nicaragua. Resolution A/RES/ES-11/1, “Aggression against Ukraine: resolution/adopted by the General Assembly,” <https://digitallibrary.un.org/record/3959039>.

⁶Roth, A. (2019). “Russian mercenaries reportedly in Venezuela to protect Maduro,” *The Guardian*, <https://www.theguardian.com/world/2019/jan/25/venezuela-maduro-russia-private-security-contractors>; Tsvetkova, M. and Zverev, A. (2019). “Kremlin-linked contractors help guard Venezuela’s Maduro,” *Reuters*, <https://www.reuters.com/article/us-venezuela-politics-russia-exclusive/exclusive-kremlin-linked-contractors-help-guard-venezuelas-maduro-sources-idUSKCNIPJ22M>; De Luce, D. (2023). “Leaked documents: Russian Wagner Group mercenaries look for business close to U.S.,” *NBC News*, <https://www.nbcnews.com/politics/national-security/leaked-documents-russian-wagner-group-mercenaries-haiti-rcna79440>; Banco, E., Aarup, S.A., and Carrier, A. (2023). “Inside the stunning growth of Russia’s Wagner Group,” *Politico*, <https://www.politico.com/news/2023/02/18/russia-wagner-group-ukraine-paramilitary-00083553>.

⁷*Hamilton 2.0 Dashboard* (2023). Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/hamilton-dashboard/>.

⁸Brandt, J., & Wirtschafter, V. (2022). *Working the Western Hemisphere*. Brookings. <https://www.brookings.edu/research/working-the-western-hemisphere/>.

⁹*The Global Information Wars: Is the U.S. Winning or Losing?, Before the Subcommittee on State Department and USAID Management, International Operations, And Bilateral International Development of the Senate Foreign Relations Committee, 118th Congress (2023)* (Statement of Jessica Brandt, Brookings Institution). https://www.foreign.senate.gov/download/05/04/2023/050323_brandt_testimony.

¹⁰Cancillería de Rusia (@mae_russia), Twitter, June 21, 2022, c; RT en Español (@ActualidadRT), Twitter, June 6, 2022, <https://twitter.com/ActualidadRT/status/1533947341811638272>. For additional sample content see https://www.brookings.edu/wp-content/uploads/2022/12/FP_20221216_russia_propaganda_brandt_wirtschafter.pdf.

world, and Russian content targeting the region could have significant global reach.¹¹

Interestingly, at least within overt space—among state media and diplomats on Twitter, and on state-backed news websites—there is limited apparent evidence that the Kremlin proactively stokes chaos at the border. The top five most retweeted Spanish-language Russian state-backed messages on Twitter covering migration thus far this year offer praise for Mexican President Lopez Obrador’s handling of the issue.¹² Immigration topics have surfaced in known covert information operations targeting the United States, but that activity seems aimed at weaponizing a politically divisive issue to exacerbate discord.¹³ Unsurprisingly, some Russian state-backed content focused on immigration boosts domestic criticisms of U.S. policy.¹⁴

Cyber Operations

In its own region, Moscow conducts cyber operations to punish entities that expose Russian malfeasance, steal information that it can later weaponize in an information operation, and to disrupt critical infrastructure, making it more difficult for democracies to govern themselves.¹⁵ Because its activities in Latin America primarily aim to foster friendships, there is little evidence that Russia penetrates computer networks to alter or collect data, or to disrupt institutions or political processes in the region.

CHINESE COERCION IN LATIN AMERICA

China, like Russia, takes a different approach to applying the authoritarian toolkit in Latin America than it does in its own region. Closer to home, Beijing has been considerably more assertive in undermining its opponents than elsewhere around the world, including in Latin America, where target countries have at times benefited from Beijing’s efforts to build influence using positive inducements.

Economic Coercion

Boycotts, tariffs, import restrictions, and export quotas—these are among the mechanisms that China has used to coerce its neighbors in response to actions Beijing perceived as undermining its interests, exercising its leverage as the top trading partner of most countries in its home region. In Latin America, by contrast, Beijing is focused on building leverage that it can apply in the future, using the Belt and Road Initiative (BRI) to expand its engagement with more than 20 countries in the region.¹⁶ These coercive economic activities foster dependences that make Latin American governments less responsive to their citizens, and therefore undermine good governance. Thus, they too may contribute to the root causes of migration.

Political Subversion

In Latin America, Beijing uses some of the same political inducements that it does to cultivate influence among China’s neighbors, but with less of an emphasis on direct subversion. China tends to use carrots, rather than sticks, to build sway, using BRI funding as an incentive to tow Beijing’s line. This difference primarily stems from the goal of China’s activities in the region: to position itself as helpful to Latin

¹¹ Brandt & Wirtschafter (2022).

¹² RT en Español (@ActualidadRT), Twitter, May 6, 2023(a), <https://twitter.com/i/web/status/1654737760018898944>; RT en Español (@ActualidadRT), Twitter, May 6, 2023(b), <https://twitter.com/i/web/status/1654828357140336644>.

¹³ S. Rept. 116–290—Russian Active Measures Campaigns and Interference in the 2016 U.S. Election, Volume II. (2023, June 20), <https://www.congress.gov/congressional-report/116th-congress/senate-report/290/1>; “Senate Intel Committee Releases Bipartisan Report on Russia’s Use of Social Media” (2019), U.S. Senate Select Committee on Intelligence, <https://www.intelligence.senate.gov/press/senate-intel-committee-releases-bipartisan-report-russia%E2%80%99s-use-social-media>.

¹⁴ Ekimenko, S. (2022). “Texas’ Greg Abbott Slams ‘Hypocrite-in-Chief’ Biden After WH Dubs Migrant Transport ‘Illegal Stunt’,” *Sputnik International*, https://sputnikglobe.com/20220916/texas-gov-abbott-slams-hypocrite-in-chief-biden-after-wh-calls-migrant-bussing-illegal-stunt-1100838329.html?utm_source=dlvr.it&utm_medium=twitter; RT en Español (@ActualidadRT), Twitter, May 11, 2023, <https://twitter.com/i/web/status/1656522016995041280>.

¹⁵ Brandt, J. and Taussig, T. (2020). “Europe’s Authoritarian Challenge,” *The Washington Quarterly*, 42:4, 133–153, <https://doi.org/10.1080/0163660X.2019.1693099>.

¹⁶ Roy, D. (2023). *China’s growing influence in Latin America*. Council on Foreign Relations. <https://www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri#:~:text=As%20of%202023%2C%20Beijing%20has,agreement%20with%20-Uruguay%20are%20ongoing.>

American societies in their battle against hypocritical, over-reaching democracies, led by the United States.

Information Manipulation

Because China's ultimate objective is to frame itself as a responsible global power, Beijing's information operations primarily seek to build a positive view of China and its leadership. In Latin America, as elsewhere, Beijing's propaganda apparatus promotes narratives that cast democracy as feckless or hypocritical and highlights the strength of its governance model.¹⁷ In the global south, during the height of the COVID crisis, Beijing undertook a tailored messaging campaign arguing that its Sinovac vaccine, which does not require cold chain storage, should be the option of first resort.¹⁸ In its propaganda targeting overseas audiences, Beijing uses U.S. immigration policy to cast the United States as hypocritical in its advocacy for human rights elsewhere around the world.¹⁹ "For a long time, the United States has been giving lessons to other countries on human rights," China's People's Daily recently tweeted in Spanish, "But the way the U.S. treats migrants and refugees at home highlights their hypocrisy on this issue."²⁰ This is in keeping with Beijing's strategy of using whataboutism to deflect criticism of its own rights record.

Cyber Operations

While in Asia, there is considerable concern about the use of information networks designed and run by Chinese companies, amid concerns that equipment sourced from vendors in China could contain back doors that enable surveillance by Beijing, that is not as much the case in Latin America.²¹ Within the region, China has provided surveillance systems to at least 9 countries, including Argentina, Chile, Brazil, Mexico, and Venezuela.²² To the extent that these systems undermine political and human rights, they too may contribute to the root causes of migration.

DIFFERENCES BETWEEN RUSSIAN AND CHINESE APPROACHES TO COERCION IN THE REGION

Although Putin and Xi work from the same playbook, their approaches reflect their unique capabilities, as well as their distinct goals. Moscow and Beijing share certain near-term objectives, but the two are operating on different trajectories and time horizons, with different points of leverage and long-term aims. Russia is a declining power by many measures, which seeks to disrupt the partnerships and institutions of its mostly Western competitor states here and now as a means of gaining relative advantage. With little to lose and perhaps something to gain from exposure, it is not particularly sensitive to attribution for its coercive activities. Seeing the benefits of chaos abroad, its efforts tend to be destructive. China, by contrast, is a rising power with a great deal to lose from having its coercive activities laid bare. It does not seek disorder, but rather a new order more conducive to its interests, and so its efforts to change the status quo have tended to be more patient.²³ Both countries are most active in their own regions. For Russia, building influence in Latin America is a means to the end of disrupting Western alliances and institutions. For China, it is a means of building support for Beijing's way of doing business.

These nuances carry over into the ways that Russia and China conduct economic coercion in the region. For Russia, this activity leverages its status as a commodity

¹⁷ Brandt (2021).

¹⁸ Schafer, B., Frankland, A., Kohlenberg, N., & Soula, E. (2021). *Influence-enza: How Russia, China, and Iran have shaped and manipulated coronavirus vaccine narratives*. Alliance For Securing Democracy. <https://securingdemocracy.gmfus.org/russia-china-iran-covid-vaccine-disinformation/>.

¹⁹ Lan, L. (2021). "Whipping migrants shows US human rights hypocritical," *Global Times*, <https://enapp.globaltimes.cn/article/1234865>; China News [. . .] (@Echinanews), April 28, 2023, <https://twitter.com/Echinanews/status/1652129574145097728/photo/1>.

²⁰ Pueblo En Línea (@PuebloEnLinea), June 9, 2022, <https://twitter.com/PuebloEnLinea/status/1534823562699104257>.

²¹ Brands, H. (2021). "Huawei's Decline Shows Why China Will Struggle to Dominate," *Bloomberg*, <https://www.bloomberg.com/opinion/articles/2021-09-19/huawei-s-decline-shows-why-china-will-struggle-to-dominate>.

²² *AI Global Surveillance Technology*. Carnegie Endowment for International Peace, <https://carnegieendowment.org/publications/interactive/ai-surveillance>.

²³ Brandt, J. (2021). *How Autocrats Manipulate Online Information: Putin's and Xi's Playbooks*, *The Washington Quarterly*, 44:3, 127–154, DOI: 10.1080/0163660X.2021.1970902; Brandt, J. (2023). *AidData: Autocratic approaches to information manipulation: A comparative case study*. AidData, a research lab at William and Mary. <https://www.aiddata.org/publications/autocratic-approaches-to-information-manipulation-a-comparative-case-study>.

exporter, with energy amounting to half of its exports.²⁴ For China, its coercive economic practices primarily draw on the size of its market, which gives it leverage over trading partners, as well as its relative wealth, which it uses to support friendly politicians.

Russia and China differ significantly in their use of political subversion as well. Moscow's intelligence agencies are much better equipped at understanding how to influence foreign systems than those of Beijing, since the Kremlin has made the use of asymmetric tools a leading component of its foreign policy for decades. The Kremlin has a high tolerance for risk and is comfortable deploying security services abroad. China, by contrast, has less experience with political subversion far afield. To the extent that Chinese operatives have been involved in subversion, they have tended to focus on China's neighbors.²⁵ But the differences don't just stem from different capabilities. Political subversion is a tool more fit for Russia's purposes (undermining the cohesion of democratic societies and their institutions) than China's (building a new international order).

Russia and China have both conducted information operations targeting audiences in the region, but likewise, in different ways and toward different ends. Where Moscow has a long history of this sort of activity abroad, China is just beginning to experiment with information manipulation far afield. Where Moscow aims to tarnish the appeal of Western systems, China works to position itself as an attractive alternative. Russian state media almost never cover Russia; Chinese State media cover China a great deal.²⁶

IMPLICATIONS FOR POLICY MAKERS

The United States needs a strategy for pushing back on Russia and China's asymmetric activity in Latin America. It should reflect these nuances, be rooted in the United States's own considerable asymmetric advantages, and uphold democratic values, recognizing that those values are strengths. To that end, there are numerous steps that Washington can take to position the United States for success. Let me propose three.

First, recognizing the range and reach of Russia's manipulation activity in Latin America, Washington should focus attention and resources on public diplomacy in the region. Concerns over terrorism and resurgent geopolitical competition have driven attention to the Middle East and Asia, and as a result, U.S. public diplomacy financing overseen by the State Department has deprioritized the Western Hemisphere.²⁷ Washington could make new investments in entities like Voice of America (VOA) targeted at Spanish language audiences. Of the 12 overseas bureaus currently operated by VOA, none are in Latin America.²⁸ This should change. Such an approach could also include ensuring that the Global Engagement Center (GEC) is optimally equipped to track Russian information manipulation activity in Latin America. There are more than 40 million Spanish speakers in the United States and U.S. security interests are directly tied to events in the region. Washington cannot afford to cede the information environment to its competitors.²⁹

Second, Washington should conduct messaging campaigns grounded in truthful information to highlight the failures of repression to audiences in Latin America. These campaigns could build on the success of the administration's novel strategy of downgrading intelligence related to the war in Ukraine to shape how it is perceived.³⁰ They could call attention to the fact that although Russia and China position themselves as "anti-imperialist" and "anti-colonial" powers, both are pursuing expansionist foreign policies. They might also highlight the costs of China's BRI to

²⁴ "Russia (RUS) Exports, Imports, and Trade Partners," *Observatory of Economic Complexity*, last modified January 2022, <https://oec.world/en/profile/country/rus>.

²⁵ Schrader, M. (2020). *Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries*, Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/wp-content/uploads/2020/05/Friends-and-Enemies-A-Framework-for-Understanding-Chinese-Political-Interference-in-Democratic-Countries.pdf>.

²⁶ Brandt (2021).

²⁷ Custer, S., Burgess, B., Baehr, A., & Dumont, E. (2022). *AidData: Assessing U.S. Historical Strategic Communications: Priorities, Practices, and Lessons From the Cold War Through the Present Day*. AidData, a research lab at William and Mary. <https://docs.aiddata.org/reports/gf01/gf01-02/Assessing-US-Historical-Strategic-Communications-Priorities-Practices-and-Lessons-from-the-Cold-War-through-the-Present-Day.html>.

²⁸ Brandt. *Testimony on The Global Information Wars* (2023).

²⁹ Brandt. *Testimony on The Global Information Wars* (2023).

³⁰ Brandt, J. (2022). Preempting Putin: Washington's Campaign of Intelligence Disclosures is Complicating Moscow's Plans for Ukraine. Brookings. <https://www.brookings.edu/blog/order-from-chaos/2022/02/18/preempting-putin-washingtons-campaign-of-intelligence-disclosures-is-complicating-moscows-plans-for-ukraine/>.

the region. Many publics have soured on the environmental destruction and unsustainable debt that too often come along with Chinese investments.³¹ Many of the region's recipient countries are democracies, and drawing attention to those shortcomings can better inform their voters. Doing so is in keeping with a strategy of exploiting Putin and Xi's weaknesses, recognizing their fragility to open information.

Third, Washington must equip itself to see across the full threat picture, recognizing that Russian and Chinese coercive activities in Latin America and elsewhere are multidimensional. It is good, then, that Congress established a Foreign Malign Influence Center (FMIC) within the Office of the Director of National Intelligence to consolidate analysis of adversary use of all four tools of interference. It is also good that FMIC appears to be resourced to look at the full range of threats, which as I and others have documented, go beyond elections.³² As it undertakes its work, FMIC should aim to cut across traditional stovepipes within Government, and share information where appropriate and feasible with private-sector partners and the public.

As it does all of this, Washington should coordinate with partners and allies to share best practices, standing shoulder to shoulder with other democratic societies to counter foreign interference threats. Ultimately, this is a contest over principles, and Washington's strong network of partners is perhaps its greatest advantage.

Distinguished Members, by drawing on a sophisticated picture of the complex ways that Russia and China deploy coercive tools in Latin America and taking these steps that flow from it, Washington can position itself to protect its interests and the American people.

APPENDIX A

Brandt, J. & Cooper, Z. (2022). Sino-Russian Splits: Divergences in Autocratic Coercion, *The Washington Quarterly*, 45:3, 23–46, <https://doi.org/10.1080/0163660X.2022.2124016>.

Chairman PFLUGER. Thank you, Ms. Brandt.

Of note, this is the subcommittee's sixth hearing on homeland security on what we as a subcommittee are looking at.

I thank you all for your testimony.

Members will now be recognized by order of seniority for their 5 minutes of questioning. An additional round of questioning may be called after all Members have been recognized.

I now recognize myself for 5 minutes of question.

Mr. Hernandez-Roy, a lot of interesting things that were said. Recent reports have indicated that the PRC has established and been operating a signals intelligence collection center in Cuba since 2019. Florida is home to a variety of military installations, sensitive military installations, becoming an emerging technology leader, a financial services hub. There is so much going on there. Can you discuss what type of implications, security implications, that the PRC's collusion with Cuba, if these reports are true, what it actually means to the United States?

Mr. HERNANDEZ-ROY. Well, the reports of some sort of spying activity in Cuba have been confirmed through a number of public sources. So I think we can take that for granted. The extent of the spying, we don't know yet. At least we who look at it through the public information space.

Having a signals intelligence operation in Cuba, it's based just south of Havana, 150 miles from U.S. mainland, is a significant threat, as it can collect information from the whole southeastern

³¹ Shepard, W. (2021). How China's Belt and Road became a "Global Trail of Trouble," *Forbes*. <https://www.forbes.com/sites/wadeshepard/2020/01/29/how-chinas-belt-and-road-became-a-global-trail-of-trouble/?sh=2bc0da0a443d>.

³² Foreign Malign Influence Center. 50 U.S.C. § 3059 (2023). <https://uscode.house.gov/view.xhtml?req=%28title%3A50+section%3A3059+edition%3Aprelim%29>.

United States, in particular, all of SOUTHCOM's activities in the south and also CENTCOM in Tampa. So this would represent a significant threat, a significant gain for the Chinese in terms of their ability to monitor intelligence and monitor traffic of naval operations in the Caribbean, things of that nature. It should be seen as a significant threat and a significant escalation on the part of the Chinese.

Chairman PFLUGER. Thank you.

This committee will be very active in understanding the depth of that threat and what it means to our homeland security, and I appreciate that.

Ms. Dezenski, I would like to focus on a couple of things when it comes to the Southwest Border.

No. 1, when we look at the fentanyl issue and understanding—we had a hearing recently, we examined the relationship between Mexican TCOs and Chinese crime syndicates and how these relationships enable the flow of fentanyl. Do you believe that the PRC is using America's fentanyl crisis as a gray zone tactic?

Ms. DEZENSKI. Thanks for the question.

I think that at a minimum, there's passive engagement on the part of the PRC. They are well aware of the fentanyl challenge, and they're not doing much to help us stop that. Coordination from previous years has pretty much disappeared, even though there's a mound of evidence about the role of Chinese money-laundering networks and manufacturers of precursor chemicals. So it's hard to understand why we can't engage more specifically on that issue, except that I think it's being viewed by the PRC as a strategic weapon against our country.

Chairman PFLUGER. Wow. You don't believe—in your recent article in the *Miami Herald*, you asserted that the United States must expose Chinese hidden hand in America's deadly fentanyl crisis, which you just alluded to the money-laundering aspect. So you believe we should be doing more as a whole-of-Government approach?

Ms. DEZENSKI. Yes. Yes, exactly.

The money-laundering piece of this is critical. If we follow the money, I think we'll actually have an easier time addressing some of these challenges because it's so hard to interdict at the border. Fentanyl pills are small, they're mistaken for other types of commodities. It's extremely difficult to find them. Having said that, I know our Border Patrol is doing a better job, and our Customs interdiction is doing a better job locating it. But having said that, following the money is probably the most important thing that we can do. There's been quite a bit written about the complexity of these money-laundering operations. What's unique about it is that there's this flow, this seamless flow between China, Mexico, and the United States and the role of money launderers here, Chinese money launderers working in the United States and selling U.S. dollar proceeds to Chinese nationals who want access to that money. It's incredible.

So I'm happy to go into more detail on how that works, but I do think that this is the most important vector for us to look at.

Chairman PFLUGER. Let me quickly jump to a related subject.

There is no question in my mind that the PRC is exploiting the crisis at our Southern Border. It was reported yesterday that in

this fiscal year, 127 people have entered this country—apprehended, that is not gotaways that have matched the terror watch list. Is the PRC exploiting the crisis at our Southern Border for their own personal gain?

Ms. DEZENSKI. I think we should assume that any vulnerabilities at our Southern Border are open for authoritarian influence of many kinds. I think that's a safe assumption. If the gaps are there, then those who are working against us are going to use them to their advantage.

Chairman PFLUGER. Thank you.

My time has expired.

I will now recognize the Ranking Member for his 5 minutes of questioning.

Mr. MAGAZINER. Thank you, Chairman.

There is a lot to cover here, but first and foremost, we are in a competition for hearts and minds across the region. For the last two centuries, and particularly during the Cold War, America succeeded by maintaining strong relationships with allies in Latin America that allowed us to counter authoritarian threats and we need to strengthen those relationships now.

So, Ms. Brandt, can you just expand a little bit on what are some of the ways that Russia and China in particular are trying to win hearts and minds in Latin America? Then how can we as a Nation best counter their efforts?

Ms. BRANDT. Both Russia and China bring large propaganda apparatuses that promote content that portrays their preferred narratives of polarizing political events. Both of them use other assets to try to—for Russia, I think most of its activity is aimed, as I said, at driving polarization and division within the United States. Its activities, I think, in Latin America are instrumental to its broader aim of weakening us from within. I think that's in part to prevent us—if we're distracted and divided, it prevents us from playing a more forward-leaning role in the world that promotes our interests.

I think there is also an interest on the part of Russia in denting our soft power, making it harder again for us to exercise leadership in the world.

For China, China comes in behind Russia's efforts to sort-of fracture the cohesion and the unity and appeal of democracies in order to present their model as a viable alternative. Both of these countries are doing that in the region.

Mr. MAGAZINER. Will they ever use U.S. voices to amplify their rhetoric? So, for example, if there are prominent U.S. individuals that talk about military strikes in Mexico or talk about—repeat Russian talking points with regard to the Ukraine invasion, will China or Russia take clips of Americans repeating those false and dangerous narratives and use them to try to win hearts and minds for China and Russia in Latin America?

Ms. BRANDT. Both Russia and China amplify domestic voices. I mean, as I said, for Russia, this is primarily about stoking division and polarization within our country. For China, it's about sort-of boosting the reach and resonance of its message, finding fellow travelers that add a sort-of degree of legitimacy to these messages and also eliminate a layer of culpability.

Mr. MAGAZINER. Thank you.

Ms. Dezenski, you wrote in your testimony about the significance of the CHIPS and Science Act and other investments that the United States have made to try to bring more manufacturing and other economic activity back to this hemisphere. Can you just expand a little bit on that, on the importance of investments like those that are made in the CHIPS and Science Act? Also how we can better engage with our regional partners again to win hearts and minds through commerce here in our hemisphere?

Ms. DEZENSKI. Sure. Thank you very much.

There's no doubt that there's huge potential to utilize trade relationships and the potential for economic integration with both Mexico and into Latin America. As companies think about whether they want to stay in China, and the government considers new mechanisms around outbound investment and other policies that might encourage pivoting out of China, supply chains, particularly critical ones, need to go somewhere. The idea that we could have them closer to home is both valuable and attractive from an economic integration perspective.

So it's almost like a perfect opportunity to look at new strategies to build those economic alliances, but mindful of the economic security objectives in doing so, that we want mutual benefit, we want security, we need trade facilitation, we want access to critical goods, particularly in the time of global shocks. Mexico is fairly well-positioned for this, although not entirely. But as you go further south in the hemisphere, there's the chance I think that we'll miss this opportunity if we don't have the right security backbone in place.

This is a point that I wanted to make about the role of DHS and how important it is to ensure that we have that secure footprint which allows trade and commerce to be facilitated and ultimately has the right objective in terms of creating environments where people don't feel that they have to come to our border.

Mr. MAGAZINER. I know I am running low on time, but I will just emphasize again, if China is going to Latin America and offering money and infrastructure and security, the United States has to counter that with more than rhetoric. We need to invest in these partnerships, otherwise our adversaries will be happy to fill that void.

So I thank you all and I yield back.

Chairman PFLUGER. The gentleman's time has expired.

The Chair now recognizes the gentleman from New York, no stranger to law enforcement, former detective for the NYPD, Mr. D'Esposito.

Mr. D'ESPOSITO. Well, thank you, Mr. Chairman, and good morning, everyone.

I am going to just take a minute to follow up on the Chairman's remarks. I know he only had a few seconds left, but I think it is important to discuss and talk about.

So obviously it is no secret that authoritarian regimes relish in the opportunity to shine a spotlight and even encourage challenges for the United States of America. How might authoritarian regimes, including Venezuela, Cuba, Russia, and the PRC, take advantage of the current border crisis created by Joe Biden and Sec-

retary Mayorkas that our Nation is experiencing? I will really leave that for any of you.

Mr. HERNANDEZ-ROY. Thank you, Congressman.

I think there's a number of ways they can take advantage of what's happening at the Southern Border. First of all, just encourage migration from their own countries by cracking down on their populations, sending more people, creating more chaos, sowing more division within the United States on how to effectively respond. That is one way they're clearly doing it.

The other way, presumably, which I've provided an example in the Venezuelan context, and one of my colleagues has said it's a distinct possibility, is they can be taking advantage of the massive amounts of people, 2.4 million interventions last year. Within that space of 2.4 million people you can try to get people that are undesirable, that are going to work for the interests of these regimes in the United States. So I think that's a vulnerability. I have no direct evidence of that happening. I have mentioned direct evidence of that happening in the Venezuelan context, sending spies to Colombia. It's a distinct possibility that the United States needs to be taking seriously.

Ms. DEZENSKI. I'll just add one angle to this that I think we need to consider.

So as we see increased engagement in places like Venezuela, with Iran, Russia, we should be mindful of the potential that local populations may become part of extremist movements, and that could be fueled by this increasing engagement from authoritarian interests in these countries. How do we relate that to what's happening at the Southwest Border? Well, it's much as Chris has identified, which is with the massive inflow of people, we have the needle in the haystack problem again to try to figure out who those extremists might be. We have an identity management problem at the border, and somehow we need to figure that out because it's going to become more and more difficult as we're trying to manage an influx of legitimate economic migrants and political migrants from a place like Venezuela. How do we know if we're allowing for extremist threats to come into the country? So we're going to have to be more sophisticated about figuring that out.

Mr. D'ESPOSITO. I agree. I am sorry.

Ms. BRANDT. Well, I was just going to add from my analysis, which again, is focused on the open source space, I see this less as Russia trying to drive populations to the border as much as it is to weaponize the polarizing nature of debates within this country around migration. But again, we don't know what we don't know. I think the challenge for us I think is to sort-of think capaciously about the challenges so that we can get ahead of them without also making Russia 10 ft tall.

Mr. D'ESPOSITO. So obviously there are real threats, whether it is the regimes, whether it is our open border. I know some would like to argue that climate change is our biggest threat, but I think these pose a bigger threat to our country and our freedoms than anything else.

Just to follow up on what we talked about, because I truly believe that this is also a threat, what is your thoughts on the CCP and the fact that there have been stories that they would embed

assets into larger groups of nationals making the journey from China to Mexico or other areas along our Southwest Border?

Mr. HERNANDEZ-ROY. Well, since I mentioned that was a possibility, I guess I'll try to answer that.

I have, like Ms. Brant, we work on public information, so I have no direct information on that. But I go back to the example that has happened in other cases.

I just wanted to add something to my previous intervention, which is that Venezuela has been known publicly to have sold passports to Hezbollah operatives and to bring people out of Syria as well with Venezuelan passports. So that's another potential vulnerability. People from that part of the region using Venezuelan passports. Where are they going?

Mr. D'ESPOSITO. Right? Probably not going there to do good things.

My time has expired, Mr. Chairman. I yield back.

Chairman PFLUGER. The gentleman's time has expired. The Chair now recognizes gentleman from California, my good friend, Mr. Correa.

Mr. CORREA. Thank you, Mr. Chairman. Appreciate this hearing. It is very timely and very important. Thank the witnesses for being here today.

I hear your statements. Latin America, there are challenges and we talk about an open border, we talk about regimes. I didn't hear a lot of talk about poverty, the challenges in Latin America, and in alternatives.

Talk about history a little bit. The Pan American Highway was built in 1920's, 1930, and through the 1950's, and we essentially financed the construction of that highway south of Mexico through Panama—almost to Panama—except for the Darién Gap—because of our strategic interest in fighting against communism. Honduras has a four-lane highway. You know who paid for that? The United States of America. We have forgotten the role that we played in the Americas throughout history. That has been our area of national interest. Today we wake up, last 3 years, China has signed more than 30 agreements with Latin America, free trade agreements. Twenty Latin American nations signed on to China's Belt and Road Initiative.

I am trying to figure out what is going on. Is our private sector asleep at the wheel? We have this challenge of these precious metals that China is controlling around the world. They are part of Latin America and nobody is discussing these issues. I am at a loss here.

Ms. Dezenski, you mentioned DHS stepping up. Apparently, our private sector is not doing a good job. So I guess we as legislators need to take your recommendations and move forward because China, Russia, Iran, I don't care what those folks are doing, I care about what is in our power to do. Our power is to move forward. We are sitting here pointing fingers at them. If you want to win a race, you focus on your lane, don't be chasing the other person. Focus, then we can do the best.

In Latin America, 20–30 years ago, when you would see a food box that said donations from America, the goodwill that was there

was tremendous—tremendous. Where is that going today? Have we forgotten the lectures? The lessons of history?

I only have 2 minutes, but I want to give you an example. We talk about the Cuban electronic espionage base by China. My understanding, please fact check me, that was actually started operating in 1999, and that was actually upgraded in 2019. Let's think about history of Cuba, OK. Obama lifted some of the restrictions, trade with Cuba. Cuba's private sector exploded. Two-thousand seventeen, Trump administration reversed that position and added additional few other restrictions. President Biden has essentially followed the Biden model. I am trying to figure out what are the incentives that we are giving folks in this hemisphere to work with the United States.

I am going to open it up to the three of you in the 1 minute that I have to help us figure out a road map here, because I don't like the fact that our American influence in our backyard is going down the drain.

Thank you.

Ms. DEZENSKI. Thank you so much.

There's so many things to bring up in response to all of your good points. I would just make the following.

No. 1, with regard to the private sector, we need to do a better job of—

Mr. CORREA. I mean, you know, and I will give you here an example. Venezuela, you can throw rocks at what is going on in Venezuela. I don't like the fact that probably the world's largest oil reserves are now under the influence of China and Russia. What are we doing to counter that? Very quick, specific question, what are we doing to get back our influence in that area of the world? More sanctions?

Ms. DEZENSKI. I would suggest that we need to de-risk to make it easier for Western companies and Western investment to go into the region. Part of that—

Mr. CORREA. Is that in our power, is that in Venezuela's power, Russia's power, or China's power?

Ms. DEZENSKI. Oh, it's absolutely in our power. It's a very positive step that we could take.

Mr. CORREA. Thank you.

Mr. Chairman, I am out of time. Thank you very much for indulging me, sir.

Chairman PFLUGER. The gentleman's time has expired.

The Chair now recognizes the gentleman from Arizona, a Navy SEAL, Mr. Crane, for his 5 minutes of question.

Mr. CORREA. Mr. Chairman, if I may interrupt you. I wanted to ask unanimous consent that Ms. Jackson Lee be permitted to sit with us in this subcommittee and be part of the questioning. Thank you.

Chairman PFLUGER. Yes, the Chair will entertain that. Thank you, Ms. Jackson Lee, for showing up.

Now, Mr. Crane.

Mr. CRANE. Thank you, Mr. Chairman. Thank you to all our guests and panelists who have come here today.

I wanted to know if any of you guys saw the article in yesterday's *Associated Press* titled, "Pentagon Accounting Error Provides

Extra \$6.2 Billion for Ukraine Military Aid". Anybody see that headline? Anybody read that story? No? OK.

Are you guys aware that to date, the United States has sent \$113 billion to Ukraine? Anybody? OK. Does it surprise you guys when you see stories like that? Accounting error, \$6.2 billion to Ukraine? Accounting error up here to the tune of \$6.2 billion. Mr. Roy, does it surprise you when you see errors to that extent?

Mr. HERNANDEZ-ROY. An error of that magnitude could only be justified if the economy of the United States was hundreds of trillions of dollars. It's a rather surprising headline, I would say.

Mr. CRANE. Thank you.

As I listen to your testimonies and knowledge about some of the unrestricted and asymmetric warfare right here in our own Western Hemisphere, down in Latin America by the Chinese, Russians, and Iranians, I want to ask you guys, does it bother any of you when we see all this money going to someplace over in Europe that happens to be a very corrupt country that most Americans can't even point to on a map, when we have all this nefarious activity going on right in our own backyard?

I want to start with you, Ms. Brandt.

Ms. BRANDT. I think we have to be able to walk and chew gum at the same time. I mean, I think the challenges that we face in our hemisphere are enormous. As I've argued, we need to pay more attention there. I also think Ukraine is on the front lines of the conflict between democracies and authoritarian challengers.

Mr. CRANE. Yes, that seems to be the general consensus in this town. The problem is, ma'am, when you talk about walking and chewing gum at the same time, you have to take into account that the United States of America has about \$32 trillion in debt, right? So we don't even have this money that we continue to send over in Ukraine. Do you see that as a problem, ma'am?

Ms. BRANDT. As I said, I think our support for Ukraine is important and consequential to our national security interest. It's fundamental.

Mr. CRANE. OK. What about our national debt? Do you think that is important?

Ms. BRANDT. That's beyond my expertise.

Mr. CRANE. It is actually pretty common-sense.

What about you, Ms. Dezenski? What do you think about our national debt and this idea up in this town that we can continue to spend hundreds of billions of dollars of the American taxpayers' money that we don't even have, yet let alone when you look at some of these threats that we are talking about in Latin American countries, right in our backyard, we don't seem to have the resources to make sure that our own border security is in order and secure?

Ms. DEZENSKI. I think the most challenging thing about the threats in Latin America, and perhaps even at the Southwest Border, is that for years, we've probably underestimated it. It seems like what we're dealing with now is the equivalent of a soft underbelly in the Western Hemisphere. That will require us to think a little bit more strategically and creatively about what Latin America policy should be, how we bring together more resources around

economic security, and how we balance that out with what we have to do in the rest of the world.

Mr. CRANE. Thank you, ma'am.

Mr. Hernandez-Roy, are you familiar with the saying peace through strength?

Mr. HERNANDEZ-ROY. Pardon me? Could you repeat that, please?

Mr. CRANE. Are you familiar with the saying peace through strength?

Mr. HERNANDEZ-ROY. Vaguely, yes.

Mr. CRANE. What do you think the opposite of that would be, Mr. Hernandez-Roy?

Mr. HERNANDEZ-ROY. War through weakness.

Mr. CRANE. Yes. War, chaos through weakness. That is exactly where we find ourselves right now. War, chaos because of weakness. We are facing a world on fire because of weakness, incompetence, and internal corruption.

I want to read this for the American people that might be watching this. Hard times create strong men, strong men create good times. Good times create weak men, and weak men create hard times. We are all aware that our current leadership is pretty weak, falls in public regularly, struggles to put sentences together, and is embroiled in multiple layers of corruption.

My point is this. Elections have consequences. If we want to continue to see this global dumpster fire continue, then we should, by all means, keep this current administration in place. If we want to return to peace through strength, we must reinstall somebody who projects strength and puts America and Americans first.

Thank you all for coming.

I yield back.

Chairman PFLUGER. The gentleman's time has expired.

The Chair now recognizes the gentleman from New York, Mr. Goldman.

Mr. GOLDMAN. Thank you very much, Mr. Chairman. Thank you for having this hearing.

I certainly hope my colleague from Arizona will look to reduce our deficit by examining our \$860 billion defense budget.

I want to focus a little bit right now on what gives China and Russia the opportunity to have such significant influence in Latin America. I am not actually sure which one of you is sort-of the foremost expert among the panel in terms of the upheaval, disarray, and cratering governmental issues that are going on in Latin America, especially Central America.

But in the last 2 to 4 years—Ms. Dezenski, you seem to be focused on this—can you describe a little bit about what has been going on in terms of upheaval in governments in Central and Latin America.

Ms. DEZENSKI. Thank you for the question.

Let me talk a little bit about China. You've asked about China and Russia in the region and how they're exerting that influence and how that came to be and maybe what the implications are for governments in the region. I'll take on the China piece of this, which is very much driven by their brilliant use of their trade relationships.

Mr. GOLDMAN. I am sorry, I just want to interrupt because I think we have a lot of attention and you all have spoken very much on how China infiltrates and influences, and they are doing the same thing in Africa as well. But I want to talk a little bit about the political situation, the governmental upheaval in the countries, in Nicaragua, Honduras, El Salvador, Guatemala, to name a few. There are others.

Maybe Mr. Hernandez-Roy, you want to talk a little bit about what has been going on in the last 2 to 4 years in that region that has also caused so many more citizens from there to seek refuge in other countries?

Mr. HERNANDEZ-ROY. I think there's a couple of points to be made that aren't necessarily totally related. But why so many people are seeking refuge is because they're living under dictatorial regimes. They're being oppressed, they're being persecuted, they're being arbitrarily detained. People who have nothing to do with political activism, just because they might be in the wrong place at the wrong time, are being imprisoned. Venezuela for the last 10 years has had a revolving door of at least 300 political prisoners. Since the massive protests in 2014 and again in 2017, something like 16,000 or 17,000 people have been detained in Venezuela. In Nicaragua, since 2018, during the protests of 2018, there were 355 people that were murdered by the regime. Since then, journalists, civil society activists, students, over 400 NGO's have lost their legal personality, 600,000 people have fled the country. That's what's going on in those regimes.

But going back a little further, talking about the political upheaval, if you go back 20 years, Latin America 20 years ago and today is a profoundly unequal part of the world. Probably the most unequal if you look at gini coefficients. Populists in that part of the world, particularly Hugo Chavez, were able to leverage that discontent and use Venezuela's massive oil wealth at the time—this was before the economic collapse in Venezuela and when oil prices were sky-high—to spread the wealth around, to keep like-minded politicians, both in Venezuela and in friendly countries abroad in power, to create friends through corruption. There's a well-known PetroCaribe and Petrofraude scheme where billions, if not hundreds of billions of Venezuelan petrodollars were spread around the region. If you look at the region 10 years ago, there was one dictatorship. You look at the region today, there's three dictatorships. There's at least two semi-authoritarian regimes that are on the way to becoming dictatorships.

There's one completely failed state, which is Haiti. Against the backdrop of all that chaos, Russia and China have multiple opportunities to get involved. They have ideological—at least the Russians have ideological affinity with many of these populist movements. The Chinese are more pragmatic. They're really primarily interested in business and making money and securing primary commodities for their economy. But I think all of that history, both 20 years ago and more recent, is what is the upshot of what you're seeing today.

Mr. GOLDMAN. Thank you for that explanation.

Ms. Brandt, I just have a couple of seconds, but I am curious how you would view that vacuum to provide the opportunity, espe-

cially—I know your expertise is more Russia, how Russia can interfere and influence those regimes.

Chairman PFLUGER. We will do about 20 seconds here.

Ms. BRANDT. I guess I would just say very quickly, to the extent that Russia's and China's coercive economic activity and political subversive activity make governments less responsive to their citizens, they undermine rule of law, they facilitate corruption I think they—speaking to your question, I think they contribute to the root causes of migration and so—

Mr. GOLDMAN. They exacerbate the situation that already exists.

Ms. BRANDT. Yes. I think Russia's by no means responsible, but it's not helping.

Mr. GOLDMAN. Right.

Thank you, Mr. Chairman, for indulging me.

I yield back.

Chairman PFLUGER. The gentleman's time has expired.

The Chair now recognizes the gentle lady from Texas, Ms. Jackson Lee, for her 5 minutes of questioning.

Ms. JACKSON LEE. Mr. Chairman, first of all, let me thank you and the Ranking Member for your courtesies. I am deeply involved and interested in this long-running story of our interaction with those who have become adversaries.

Let me say to Mr. Christopher Hernandez-Roy, you view it as important for us to be engaged with South and Central America, do you not?

Mr. HERNANDEZ-ROY. Yes, ma'am.

Ms. JACKSON LEE. We have adversaries, but we need to be a major positive force in those regions. Would you agree that this era of our time is one of the greatest migrations that any of us may have seen coming from that part of the hemisphere?

Mr. HERNANDEZ-ROY. I would agree, ma'am, that we are at historic times in terms of migration in the entire region, not necessarily just from Central America.

Ms. JACKSON LEE. Absolutely. I said Central and South America.

Mr. HERNANDEZ-ROY. Yes, ma'am.

Ms. JACKSON LEE. Yes. I appreciate that because we are actually in an era, in a decade, maybe 2, of the greatest migration, at least of this current era around the world. I mean, I have watched flows of traffic going from many different places. I make that point as I pursue my line of questioning. I thank this committee for this hearing, because we do need to counter bad guys in Latin America, in Iran, Russia, and otherwise other places as well.

I was really baffled by a filing of articles of impeachment for what is really both a historical fact and will not be solved by impeachment. The late John McCain tried to solve it, as we did, joining with him by comprehensive immigration reform. You do note that that is valuable? I will just answer my own question on that.

Let me pursue important line of reasoning for China and Russia. Let me ask Ms. Brandt, if you would, in Iran—and I thought we had Iran in this discussion, but if not, I am going to add it to the discussion—we have countries like France and Albania stopping freedom-loving Iranians from peacefully protesting or having meetings suggesting that Iran now is spreading its wings to intimidate those nations that have to receive its oil products. What is your in-

terpretation of that power that they are using to denounce democracy around the world and as a tyrannical nation?

Ms. BRANDT. Well, Russia, China, and Iran I think are all interested in denting the prestige of liberal democracy around the world. It's a part of a tactic to I think make democracy less appealing to would-be rights advocates at home and so helping autocrats to tighten their grip on power, which I think is fundamentally in their self interest. Then again, it's about sort-of weakening their global competitors.

You mentioned comprehensive immigration reform and I would say there's another way that this connects with the conversation that we're having today, which is—I'm mindful of Kennen's sort-of admonition that we need to sort-of resist the temptation to become that against like which we are coping, or something to that effect. The idea here is that we need to lead into our own asymmetric strengths in this asymmetric competition and our vibrant, open society is one of them. And this—

Ms. JACKSON LEE. I have another question, so—allow you to finish your point on that.

So basically we should lean in when these countries are trying to tamp down democracy and we should lean in our friends in France and Albania in terms of denying that free speech for those Iranians. I would hope that would be the case.

But let me also talk about some of the tactics that Russia has used. Certainly the Ukraine war is dastardly and devastating, not instigated by the United States or the Western world. They have taken to using hostages to extract and strangle relationships with foreign countries. Would you comment on this hostage approach so that America knows we shouldn't be intimidated by that and we should fight hard for our hostages to be returned? I guess this way you can finish your overall point.

Then with China it is all about the technology and artificial intelligence. The meeting of Secretary Blinken. How do we frame our lean-in to those issues and those countries?

Ms. BRANDT. Yes, I think that's where I was going, which is that there's another layer to this competition which is not just within the information domain, but within the technology domain. There it's essential that we again lean into our strengths, which is our vibrant, open, innovation economy. Our immigration policy is relevant to that because we want to make sure that we are the top. We have an edge in talent. It's critically important. We want to make sure that we maintain that edge by being an attractive place for talent to come.

Ms. JACKSON LEE. Well, the hostages situation?

Chairman PFLUGER. The gentlelady's time has expired.

Ms. JACKSON LEE. Thank you.

Chairman PFLUGER. The Chair now recognizes the gentlelady from Nevada, Ms. Titus.

Ms. TITUS. Well, thank you very much.

I apologize for being late. I hope I don't repeat something.

I sit on the Foreign Affairs committee and so we hear a lot about the malign influences of China and Russia. Russia more politically, China more economically. In fact, we just heard about China build-

ing the port in Lima. So we know the Belt and Road extends all over the world.

But I would like to ask you about China's relations with Taiwan and how they respond to other countries in Latin America as they in turn have different affairs with Taiwan.

Recently, I believe that Secretary Blinken said that we don't support independence of Taiwan. I don't know how that is going to play in Latin America, but we know that Latin America's support for Taiwan has been waning. It is now down to seven countries, I think. Coupled with China's authoritarian regime, relations with such governments as Cuba and Venezuela, I wonder how this is going to impact our push for democracy in Latin America or our just even trade relations between the United States and Latin American countries as they tend to lean more in the direction of China over the Taiwan issue.

Anybody.

Mr. HERNANDEZ-ROY. Yes. There's no doubt that—as you correctly said, there are still—the the largest number of Taiwan allies are in Latin America globally. You're correct about the number of seven. Taiwan recently lost one ally. In March, Honduras switched allegiance from Taiwan to the PRC, which had been a campaign promise of that country's president. The largest two countries that are still allies of Taiwan are in the Western Hemisphere, Guatemala and Paraguay. Guatemala is about to have an election. The issue of whether it will continue to recognize Taiwan is, I think, up in the air. Paraguay did recently have an election and I think for the time being, it is secure in its continuing relationship with Taiwan and not the PRC.

But this is clearly one of the objectives of the PRC in the region, is to continue to peel away Taiwan's allies.

Ms. TITUS. Anybody else.

Well, thank you. I think that is something we ought to keep a look at.

The question is about regime change. China and Russia are using different tactics, overt and covert, to influence countries in Latin America. The United States doesn't have a very good history of this. If we don't like them, we have gone in and tried to throw them, overthrow them. This is particularly true again for Cuba, Venezuela, and Nicaragua. So how do we try to counter China's influence, offer an alternative, and still deal with that history of meddling that many people have long memories about?

Ms. DEZENSKI. Thank you for the question.

I think this is a particularly challenging problem for us. When China engages with countries, particularly in the global south, they typically employ their policy of non-interference, which means they come ostensibly to engage in economic integration. They'll work with whatever regime is in power. They'll often play by local rules, which could facilitate how China uses opaque contracts, employs corruption, any number of tools that cater particularly to weak democracies or authoritarian regimes, where there's more likelihood that opacity will kind-of drive the conversation and rule the day. So I think we have a real challenge in terms of how to counter that. We need to get at those issues first and foremost by protecting our own interests, our own capital, our engagement, staying

true to our democratic values, pushing on anticorruption, stopping the money laundering, calling out the bad behavior. Because if we don't do that, we've really lost the game. We really need to focus on these governance principles. But then we need to take it a step further, which is show up in the region for the long term with the right kind of economic commitments to drive that kind of economic security that we were talking about earlier, and maybe in the process keep some supply chains closer to home.

Ms. TITUS. We don't want to force them to make a choice. We don't want to put it in those contexts, but we want to let them know they have options in countries.

Thank you. I think my time is up.

I yield back.

Chairman PFLUGER. The gentlelady's time has expired.

We will now enter a second round of questioning, again, alternating sides based on seniority.

The Chair now recognizes myself for 5 minutes of questioning.

I think it has been a great discussion so far. I am incredibly worried about what the PRC is doing. The Chinese Communist Party not only is right at our doorstep, I mean, they are literally inside of our country in a lot of different ways. I think the Chinese spy balloon highlighted that this subcommittee held a hearing on that. We are hearing today the vast array of initiatives that the CCP is using, economic militarily, influence and information operations campaigns. The fact that we now know, which is completely unacceptable, that they have a surveillance and spy machine that is ongoing inside Cuba, which is less than 100 miles away from our shores. I think for all these reasons, it really is incredibly important that we focus on it.

Ms. Dezenski, in your written testimony, as well as in your responses to questions here, you talk about the true autocratic behemoth in the region, China, which has ramped up its economic investment throughout the hemisphere, driving debt dependency, antidemocratic vision of surveillance states. You talk about the critical minerals that they are acquiring inside Latin America, you talk about the 29 different ports that they have established. I mean, they are literally knocking at our doorstep. I would like to really further investigate your ideas.

Previously in your testimony, you talked about you were there when we stood up DHS. It was created to have a more unified whole-of-Government approach to counter new and emerging asymmetric terrorist threats. These threats are right there. So what is that approach economically, specifically, and also militarily? If you have any thoughts on that.

Ms. DEZENSKI. Thank you so much.

The approach is, for certain, a multifaceted one. We really need to think about this from a whole-of-Government picture. We'll never have the centralized industrial policy focus that China has, but arguably we don't need it if we use all of the tools in our own toolkit to bring a combination of security, investment, economic integration, better political engagement with allies and friends and partners in the region. All of this needs to work together. We need a big strategy around this.

In terms of the more specific actions that could be taken around some of these threats that we've identified around port security, for example, we really need to get a handle on these nodes of commerce where we see this layering of technology, surveillance, infrastructure investment, the potential to use commercial operations to support military, the transport of military supplies, for example. There are a lot of vulnerabilities in this commerce structure, this commerce ecosystem that connects into the DHS agenda very, very closely. But I'm not sure that we've really made the pivot around that operational readiness, that we've taken the analysis and the intelligence, that big picture. Then is it being driven by the right boots on the ground, the right engagement?

So there's multifacets to this, but I think we need to get at an asymmetric approach where we identify what those most critical elements of Chinese influence are and go after them. We're not going to compete in terms of the size of our trade relationships. We just won't be everywhere that China is. Frankly, we don't have to be. We don't have to spend as much money through some equivalent of the Belt and Road initiative, but we need to use those tools that we have in a much more effective way.

Chairman PFLUGER. Ms. Brandt, it seems to me over the past 10 to 20 years that we have been ignoring our neighbors to the south in many ways. It seems that during that time, the People's Republic of China, led by the Chinese Communist Party, have just inched their way into that territory with a goal of influencing those countries in a way that undermines our own national security. Are you seeing something similar to that?

Ms. BRANDT. Yes. Concerns about terrorism and resurgent geopolitical competition have shifted the focus to the Middle East and to Asia. To some extent, we've deprioritized engagement in our own region. As all of us have described here today, I think we're the poorer for it.

Chairman PFLUGER. Mr. Hernandez-Roy, I have got 12 seconds left.

Mr. HERNANDEZ-ROY. I think that Chinese motivation is primarily economic, but it's from a power that is obviously a Communist dictatorship. With that comes corruption, comes antidemocratic practices, and that leads to it opens up spaces for all sorts of nefarious things to go on.

Chairman PFLUGER. Those nefarious things are killing 100,000 Americans a year through fentanyl. They are creating chaos, money laundering, criminal organizations, destabilizing the region just to the south of us.

I appreciate your testimony here. I hope that this committee can urge our colleagues throughout the rest of Congress to take the actions that you are recommending and to do more when it comes to securing our own country through the stabilization in South and Central America.

With that, my time has expired.

I recognize the Ranking Member for 5 minutes.

Mr. MAGAZINER. Thank you, Chairman.

Another aspect of this that I would like to focus on for a moment is the importance of rare earth minerals, particularly lithium and others. No coincidence that we are seeing China make investments

in commerce and diplomacy in areas around the world that are rich in these rare earth minerals, including in South America in particular. Ms. Dezenski, I noticed that you touched on this in your testimony and others. Could you just expand on that a bit more? What is happening with rare earth minerals in South America? What should we as a Nation be doing in order to prevent our adversaries from cornering the market essentially, for these important rare earth minerals?

Ms. DEZENSKI. Thank you very much.

Yes, we have a big challenge in Latin America. As I've noted in my testimony, the so-called Lithium Triangle of Argentina, Bolivia, and Chile is home to over half of the world's known lithium reserves. China has been working to corner that market. U.S. companies have had, to date, somewhat limited success. There was a bid put forward by a U.S. group of companies in the last year or so, and it was beat out by a Chinese conglomerate and under some strange circumstances where the U.S. bid was knocked out because it was submitted 10 minutes late or something strange like that. So there's a lot of competition going on right at the source of this. We have not been in an ideal position to address it from a political perspective because China has really leveraged its relationships, its trade relationships, to support its interests. Because China is the processing behemoth with 65 percent of the refining capacity around lithium in particular, it's very difficult to break that.

One thing that we will need to look at is how to do so. Whether it's moving some processing to the United States or working with partners in the region to identify other areas of processing, this could be an asymmetric opportunity for us. We need to get at the kind-of the point in the supply chain that is most critical, and processing is really a key part of that.

Mr. MAGAZINER. Thank you.

Switching gears a bit, Mr. Hernandez-Roy, in an article that you co authored, you remarked that among U.S. presidents, President Biden has shown some of the most knowledge and appreciation for Latin America. One of the examples that you cited in the article was the decision to invite the Brazilian and Colombian presidents to the United States within their respective first years in office. Brazil and Colombia historically have been two of our most important allies in the hemisphere.

Can you talk a little bit about what more we could be doing to strengthen our relationships with Brazil and with Colombia in particular, and why those relationships are so important in the context of competition with our autocratic competitors?

Mr. HERNANDEZ-ROY. Absolutely. If I may, just very, very quickly on your last question, with regard to critical minerals and Argentina specifically, and its lithium deposits, which are some of the largest. Argentina is exporting about 9 percent of its lithium to the United States, and something like 49 percent, if memory serves, to China. I've been told by representatives of that government that they prefer it to be the other way around, but that's just the way the economics are right now. The IRA Act provides incentives to members, to countries that have FTA agreements with the United States in terms of critical minerals. Argentina does not have an FTA agreement and is seeking an exemption under that. So that's

one thing that the United States could do to counter Chinese influence.

With regard to your other question, Brazil and Colombia, Colombia, as you've pointed out correctly, is a long-standing U.S. partner and ally dating back to the 1990's when Colombia was at risk of being overrun by narco-trafficking. The United States invested heavily in that country and it became one of its closest allies, beating back the security threat to Colombia and building up its democracy. It remains a key ally in the United States, despite a change of posture by this particular government in terms of its outlook.

Brazil is the largest economy in Latin America, and obviously is an important trading partner with the United States, but it's also an important trading partner with China. Therefore, in fact, I think the Chairman earlier alluded to the fact that—well, he said Latin America as a whole, I'm not sure that's entirely accurate, but I'm pretty confident at this point that China is is Brazil's largest trading partner, and therefore we have an interest to strengthen relationship with Brazil, to find ways to compete with China in Brazil.

Mr. MAGAZINER. My time has expired.

Thank you.

Mr. D'ESPOSITO [presiding]. The gentleman's time has expired.

I now recognize myself for 5 minutes.

Mr. Hernandez-Roy, as was mentioned by some of my colleagues, our weakness, or the view of this country being weak or administration being weak, has led to threats. The PRC's role in Latin America has grown rapidly since 2000. The PRC state firms are major investors in Latin America's energy, infrastructure, and space industries. Just want to give you some numbers. By 2021, PRC trade in the region totaled \$450 billion, and economists predict that it could exceed \$700 billion by 2035. Of particular concern, and as was discussed, the PRC's infrastructure in the region has displayed dual use that could have security implications for this great country.

Could you explain the concept of dual-use infrastructure and the impact the facilities could have on homeland security?

Mr. HERNANDEZ-ROY. Sure. I can mention at least three specific examples.

The Chinese now control the loading and unloading facilities in the Panama Canal. They're building, and it's almost finished, a very large port in Peru. Last week, if I'm not mistaken, they inked an agreement with the regional government of Tierra del Fuego in the very southern tip of Argentina to build a port that would control the Drake Strait—I think that's the name of the Strait—that would control access to the fishing fields off of Antarctica. Then again in Argentina, it has a space port in Argentina that's ostensibly for research and to track Chinese satellites. It is essentially a piece of sovereign Chinese territory within Argentina. The Argentine authorities cannot even set foot on this property. Each one of those things has a dual use. They have a peaceful use for commerce, for research, for scientific research, and for the movement of trade goods. But each one of them can also be used in a second capacity—this is where the term dual-use comes from—for military capacity. The Chinese space station can be used to track U.S. sat-

ellites, it could be conceivably used to track intercontinental ballistic missiles. Ports can be used as refueling and supply and logistics hubs for Chinese warships. Ports can be closed, facilities can be sabotaged in the event of a conflict. The Panama Canal is obviously one of the most strategically important areas in the hemisphere.

So each of those investments, each of those pieces of infrastructure that the Chinese have either bought or built, has a dual use.

Mr. D'ESPOSITO. Thank you.

So, obviously, it is a real threat. What do you believe that this committee and our colleagues in this Congress could do to deter and to really get a handle on the dual-use infrastructure that is causing a threat to this Nation?

Mr. HERNANDEZ-ROY. That's not an easy solution.

Mr. D'ESPOSITO. Not in a minute and 44 seconds.

Mr. HERNANDEZ-ROY. I think the easiest thing to do is to prevent it before it happens. So in that sense, the United States can do a number of things. It can provide new mechanisms or fix old mechanisms to have more development financing in the region. For instance, the DFC is prevented from providing financing to middle-income, middle- and upper-income countries. It can only provide financing to lower- and lower-middle-income countries. There's only five countries that qualify as lower- and lower-middle-income countries in Latin America. They're all in Central America. However, it's well-known that there are huge disparities within a country in terms of their economic development. So changes to those rules, for instance, could allow more financing to some of the South American countries to counter some of the infrastructure financing from China. The United States can replenish the capital in the Inter-American Development Bank. That's another large multilateral institution that can provide more lending for infrastructure in the region. There's examples like that in my—I'm over the time. But those are kinds of the kinds of things that the United States can do to prevent these dual-use things from being built in the first place.

Mr. D'ESPOSITO. Thank you very much.

I now recognize Mr. Correa from California for 5 minutes.

Mr. CORREA. Thank you, Mr. Chairman.

I wanted to, in my 5 minutes that I have, let me ask all of you for your opinion. It is a big topic, a lot of ways we can go, but specifically, how does Department of Homeland Security, what are some of the actions that we can take to begin to turn the ship around, so to speak? You mentioned, and I agree with, the investment in the area. I would prefer a Marshall Plan that is accompanied by some economic reform, anticorruption. But that is the big picture. Specifically here today, homeland security. I am going to ask each one of you, what can we do to begin to address, to begin to bring attention to what I believe is 20–30 years of being asleep at the wheel?

Ms. Dezenski.

Ms. DEZENSKI. Thank you.

One thing that really strikes me about where we are now facing these economic security threats, a broader range of threats to the

homeland, is how much of what was built after 9/11 has kind-of fallen by the wayside.

Let me give you an example. After 9/11, we spent a lot of time thinking about how to secure the ports, we had something called the Container Security Initiative, we had the Customs Trade Partnership Against Terrorism, we had a number of international engagements that exerted U.S. leadership and provided a basis for much more strategic engagement with partners around the world. Some of that we've lost. I think we need to get back to a more strategic footprint, whether we're putting people on the ground or we're using the "digital boots" on the ground, some combination of these things. We need more eyes and ears, and we need to drive that footprint based on a better analysis of where the threats are and where we need to have that deeper engagement. We have the opportunity to do that at ports. We can do that with key players in the supply chain. We can do that through better interagency coordination. All of these things need to happen.

Mr. CORREA. Mr. Hernandez-Roy.

Mr. HERNANDEZ-ROY. Thank you, Congressman.

The commenting on DHS is really beyond my expertise. But what I will say—you mentioned a couple of things. You mentioned a Marshall Plan. The U.S. influence in Latin America was probably at its highest in the 1960's after President Kennedy launched something called the Alliance for Progress, which was essentially a Marshall Plan for the region. It provided development assistance on a massive scale. At the time, it was the largest development assistance package that the United States had ever implemented, and it had significant effects on reducing poverty in the region, which is something you mentioned earlier. I would also say that what the United States needs to do is create better conditions in the region to prevent threats from washing up on our shores. So that it goes back to this idea of an Alliance for Progress. We have argued, we at CSIS, some of us have argued that the United States should entertain a new Alliance for Progress, or 2.0 at some point.

Ms. Brandt.

Ms. BRANDT. I said in my testimony that China and Russia both apply the course of toolkit in Latin America differently than in their home regions. China in particular, at home, closer to home, it's really weaponizing the leverage that it has as its own region's largest trading partner. But abroad, it's really patiently building leverage that it can sort-of use later. So we're closer to home, those countries have sort-of faced the sharpest or like the brunt, the sharpest elements of China's toolkit. Farther abroad, I think they've really benefited in some ways from China's use of inducements, positive inducements.

So I think the task for us is to both provide alternatives, as you've suggested, and then also to tell a more compelling story about what we offer, right. Ultimately, competition is about the pursuit and use of advantages. So just sort-of rather than a tit-for-tat reactive approach to authoritarian moves, we need to do an assessment of what our own strengths are and I think go at authoritarians, where they're weak. I think one such fragility is to open information.

Mr. CORREA. One final quick question here to all of you.

You mentioned the popularity of TikTok social media. I think probably 90 percent—excuse me, about 70 percent of the world uses a smartphone. Latin America is the same thing. Great communication device. You have a lot of Latin Americans living in the United States. You have a lot of cross-cultural influence. How can you use that, what I would call continuing American goodwill, to really influence and try to continue to integrate this continent the way it was before, I should say?

Please.

Ms. BRANDT. Yes. I mean, we have 40 million native Spanish speakers in the United States and some of the best content creators in the world. So we should be leveraging those assets, especially in our communication in the region. Right. I'm thinking about, like, low-cost content distribution agreements that would allow some of our content to be shown in the region, for example.

Mr. CORREA. In my last 25 seconds, in your opinion, three of you, kind of a yes-or-no question, is Congress doing enough to make sure that we are present in Latin American countries? That is, are we visiting enough, are we paying enough attention? Yes, no—5 seconds?

Ms. BRANDT. Yes. I would just say it's incredibly important that we focus attention and research.

Mr. CORREA. Are we putting enough attention? Yes, no—

Ms. BRANDT. I think there's more we can do.

Mr. CORREA. Sir?

Mr. HERNANDEZ-ROY. I think there's more we can do. Not just Congress, but also the Executive.

Mr. CORREA. Ms. Dezenski.

Ms. DEZENSKI. There's more that we can do.

Mr. CORREA. Thank you very much.

Mr. Chair, I yield.

Mr. D'ESPOSITO. Thank you, sir. The gentleman's time's expired. I now recognize my friend from Arizona, Mr. Crane.

Mr. CRANE. Thank you, Mr. Chairman.

Again, I realize we are talking about Latin American countries today and the influence of China, Russia, and Iran down there. That being said, I do want to ask a question. Is anybody on the panel aware how many men conducted the attacks on the World Trade Center during 9/11? Anybody? Anybody know the number?

Mr. HERNANDEZ-ROY. Could you repeat the number of? Pardon me, the number of what?

Mr. CRANE. The number of men who conducted the attacks on the World Trade Center. Anybody know the answer to that? How many men? How many terrorists?

Mr. HERNANDEZ-ROY. That was somewhere in the neighborhood of 12 to 20, I believe.

Ms. DEZENSKI. It was about 17.

Mr. CRANE. Yes, it was around that—19 men. The reason I bring that up is because in 2021 CBP reported 4,103 encounters of Russian citizens along our Southwest Border. It continues to increase. Following the start of the war in Ukraine, this number jumped from 21,763 in 2022 and then in 2023, it rose again to 33,000.

Now let's go to China. In the first 3 months of 2023, we saw 9,711 individuals coming from China encountered at our Southern

Border. That obviously doesn't count the number of gotaways, which we can't count, but it is substantially more than the 3 years. Since again we are in homeland security, does it concern anybody on the panel knowing the current state of our Southern Border, to see these numbers increasing from the very countries that we are talking about in our Southern Hemisphere?

Mr. Roy, does it concern you to hear those numbers increasing?

Mr. HERNANDEZ-ROY. I think there's a two-part answer to that. The numbers are increasing in part, in large part because there are freedom-loving people in those countries—

Mr. CRANE. Absolutely.

Mr. HERNANDEZ-ROY [continuing]. Who also want to leave their repressive regimes and come to the United States.

Mr. CRANE. We understand that. We all understand that. But does it concern you, just knowing how I opened with only it only took 19 individuals to conduct one of the greatest attacks on the United States ever?

Mr. HERNANDEZ-ROY. It is a concern of mine, given my experience within the region and what other dictatorships have done in the region to infiltrate spies into neighboring allies.

Mr. CRANE. Absolutely. Do you guys think that either China or Russia might be smart enough to figure out that our Southern Border is pretty porous? Even our own President, while he was a candidate, said, if you want to come to the United States, come? Does that concern you? How about you, Ms. Dezenski? Sorry if I pronounce that wrong.

Ms. DEZENSKI. No, it is fine. Thank you. Yes, it is a concern. When the vulnerabilities are known, they can be exploited. As the immigration flow continues to grow, it becomes a more difficult challenge to figure out the very small number of people within a very large number coming across the border that are actually of security interest and concern. This is a problem we've had for a very long time.

Mr. CRANE. Yes. Let me ask a follow-on, ma'am. Do you think we should finish the wall that we started building on our Southern Border?

Ms. DEZENSKI. It's probably outside of my scope to comment specifically on the wall because I'm not following where things are at, but I do firmly believe that we need to be able to control the border.

Mr. CRANE. OK.

Ms. Brandt, what about you?

Ms. BRANDT. Like Ms. Dezenski, that's sort-of beyond the focus of my research. I will say, of course, I think we should have a secure Southern Border. Also, as I said, one of our greatest advantages is our open, welcoming, being an attractive destination for talent. So we need to ensure that we continue to be that kind of place that bolsters freedom-loving people around the world.

Mr. CRANE. It is interesting when I hear people come up here and they testify before this committee and they say—I ask about should we complete a wall and you guys say, oh, that is outside of my scope. I know you guys are very smart or you wouldn't be here. I read your bios. You are both very smart. You guys both have a lot of common sense. Do you guys have walls around your house?

Do you guys have walls in your backyard? Do you know why there are walls at prisons? Do you know why most schools have walls? Do you know why most castles have walls? I am asking a question. It as a pretty simplistic question, and the American people are tired of it.

Ms. BRANDT. I think our openness is a competitive advantage. I mean, not the openness of our border like literally, but our open welcoming environment. The openness of our society.

Mr. CRANE. Well, Ms Brandt, I would love to see you tell that to some of the people in my district who have lost their loved ones to fentanyl. Do you think that is an advantage to have parents that are losing their kids to fentanyl?

Ms. BRANDT. I don't mean the literal—no, of course not. Of course not.

Mr. CRANE. Because that is a byproduct of what you are talking about, ma'am.

Ms. BRANDT. Of course not. I'm not speaking about the literal openness of the border, but our—

Mr. CRANE. That is what you said, openness.

Ms. BRANDT. I'm clarifying that I mean the openness of our society.

Mr. CRANE. Thank you. I yield back.

Mr. D'ESPOSITO. The gentleman's time has expired.

I want to thank the witnesses for their valuable testimony, the Ranking Member and Members for their questions.

The Members of the subcommittee may have some additional questions for the witnesses and we would ask the witnesses to respond to those in writing.

Pursuant to committee rule VII(D), the hearing record will be open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 11:46 a.m., the subcommittee was adjourned.]

